

**6/2/77 [1]**

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 6/2/77 [1]; Container 23

To See Complete Finding Aid:

[http://www.jimmycarterlibrary.gov/library/findingaids/Staff\\_Secretary.pdf](http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf)

THE PRESIDENT'S SCHEDULE

Thursday - June 2, 1977

---

7:30 Dr. Zbigniew Brzezinski - The Oval Office.

✓ 8:00 Breakfast With Congressional Group. (Mr. Frank  
(60 min.) Moore) - First Floor Private Dining Room.

*Meeting with the House Energy & Power Subcommittee*

✓ 9:15 Meeting with Congressional Group and Secretary  
(15 min.) Cecil Andrus/Minerals Policy. (Mr. Frank Moore).  
The Cabinet Room.

✓ 9:40 Briefing by Dr. James Schlesinger/ Energy Research  
(30 min.) and Development Programs - The Cabinet Room.

10:30 Mr. Jody Powell - The Oval Office.

✓ 11:45 Meeting with Congressman Fernand J. St. Germain.  
(10 min.) (Mr. Frank Moore) - The Oval Office.

12:00 Lunch with Mr. Bert Lance - The Oval Office.

✓ 1:00 Budget Review Meeting. (Mr. Bert Lance).  
(3 hrs.) The Cabinet Room.

4:00 Meeting with Secretary Harold Brown. (Mr. Jack  
(30 min.) Watson) - The Oval Office.

6/2

THE WHITE HOUSE  
WASHINGTON

file

The President passed this along to  
Jerry and Jerry has finished reading  
it.

Becky



THE WHITE HOUSE  
WASHINGTON

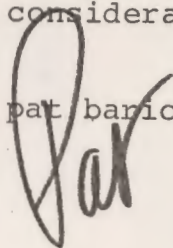
June 2, 1978

Susan:

A graduate student sent this paper on the way FDR handled the press during his first term.

Reading it, it seemed to me that the President might also enjoy it. I pass it on for your consideration.

pat bario

A handwritten signature in dark ink, appearing to read 'Pat Bario', written over the typed name.



*Rafshoon  
info  
J*

FRANKLIN D. ROOSEVELT'S FIRST TERM PRESS CONFERENCES:  
ONE METHOD OF INFLUENCING NEWSGATHERING

Betty Houchin Winfield  
School of Communications  
University of Washington  
Seattle, Washington 98195

Presented to the History Division  
Association for Education in Journalism

Electrostatic Copy Made  
for Preservation Purposes



At one o'clock on Saturday afternoon, March 4, 1933, Franklin Delano Roosevelt recited the oath of office. As radio listeners throughout both the country and the world listened, the new President launched into his inaugural address with force and confidence.<sup>1</sup> He included among his hopes for his administration,

"I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly."<sup>2</sup>

President Roosevelt's promise to communicate openly with the people had to be through some channel. That channel was the American press. While he astutely used radio, newsreels and photojournalism, his most regular means for communicating was through the White House Press Corps. And his most regular means for influencing newsgathering<sup>3</sup> was through meetings with the Washington journalists. This paper will analyze Mr. Roosevelt's methods of influencing the news about himself and his administration by examining his first term press conferences.

Press historians have referred to Franklin D. Roosevelt's astute ability in his relations with the press. Edwin Emery proclaims that "No President had more effective relationships with the press than did Franklin D. Roosevelt."<sup>4</sup> John Tebbel stated that FDR "understood the press as no president has before or since."<sup>5</sup> Even Theodore Joslin, Herbert Hoover's former press secretary, who acknowledged the difficulty of a chief executive to have good press relations, believed that "Roosevelt has come nearer to any of them to meeting the expectations" of the press corps ....<sup>6</sup> Columnist Heywood Broun called Roosevelt "the best newspaperman who has ever been President of the United States."<sup>7</sup>

While numerous studies have acknowledged Mr. Roosevelt's skill with the press, none have specifically focused upon Franklin D. Roosevelt and his press conferences.<sup>8</sup> James Pollard's well-known work, The President and the Press (1947) has a section on Franklin Roosevelt and the press. Yet, it was written before all the Roosevelt press transcripts were released. In addition, Pollard did not specifically analyze how the press conferences might influence newsgathering. Leo C. Rosten's classic The Washington Correspondents (1937) also does not examine these first term press conferences.

The focus of this project is limited to the first term press conferences.



The study is part of a larger project on Franklin D. Roosevelt's methods of influencing newsgathering. Thus, the findings here cannot be generalized for Franklin D. Roosevelt, in general, nor for his other press conferences and periods, times in which FDR faced questions concerning his court packing plan, the Roosevelt recession, a different U.S. foreign policy toward Europe and Asia as both Germany and Japan expanded their territories, World War II decisions and the Allies' peace plans. Nevertheless, Mr. Roosevelt's first term press meetings, those 337 press conferences out of his total 998 Press Conferences and the manuscripts concerning them, do give the historian a good basis for study. In this particular paper three questions were asked:

1. What were Franklin D. Roosevelt's purposes for attempting regular press conferences when his predecessor failed?
2. How did Mr. Roosevelt influence newsgathering about himself and his administration with his first term press conferences?
3. How did the White House Correspondents react to FDR's newsgathering methods?

#### FDR's Purposes for Press Conferences

Franklin Roosevelt explained his purposes for having the twice weekly press meetings in the introduction to the first set of his public papers.

"I have endeavored to see an organization under a trained and experienced newspaperman, which would be helpful to the correspondents by furnishing a continuous supply of accurate information and which would at the same time prevent them from 'getting out on a limb' with inaccurate stories which would later have to be repudiated."<sup>9</sup>

Raymond Clapper, a well-known United Press correspondent, wrote of a March 1 meeting with Stephen Early, the President-elect's proposed press secretary. Clapper quoted Early's plans

"to make the White House assignment an important one and not a watchdog affair, one that would require the very best correspondents to swing."<sup>10</sup>

Early also noted that he regarded Frederick A. Storm of the United Press very highly and that "he was shooting at a setup that would fit men of Storm's caliber."<sup>11</sup> It is important to note that Early wanted the White House assignment to be prestigious and did not want the press to serve in a "watchdog", adversary role. The press meetings were to be a channel for accurate information on the administration.

These initial plans for Mr. Roosevelt's proposed meetings were leaked not only to Clapper, but also to the wire services. Articles appeared noting that the press conferences were to be revived much in the manner of the regular, open sessions of Roosevelt's Albany days, and that the written question



requirement dating from the Harding era would now be eliminated.<sup>13</sup> The President also immediately began **meeting with the press**. After his inauguration, he met with representatives of the four Press Associations to explain the banking holiday proclamation.<sup>14</sup>

#### President Roosevelt's First Press Conference

The Washington Correspondents attended President Roosevelt's first press conference, March 8, 1933 at 10:10 a.m. Franklin D. Roosevelt began his twelve year semi-weekly odyssey of meeting with the press only four days after he was inaugurated. As the journalists filed into his executive office they were introduced to the President by J. Russell Young, former president of the White House Correspondents Association. Mr. Roosevelt had a handshake and a few words of individual greeting for each of the 100 or so reporters.<sup>15</sup>

The President explained to the group that "I am told that what I am about to do will become impossible but that I am going to try it." As anticipated, he promised to meet with the correspondents twice weekly and said that he wanted to talk to them off the record, much as he had done in Albany and in the Navy Department. He cautioned them that there would be many questions that he would not answer, either because they were conditional "if" questions, or because he did not know enough about them to answer. Roosevelt assured the journalists that he thought that they would have profitable meetings. He then provoked laughter by remarking that he did not want to revive Teddy's "Ananias Club," where remarks made in confidence by Theodore Roosevelt had to be denied later by the White House and particular reporters became persona non grata and relegated to the "Ananias Club."<sup>16</sup>

Mr. Roosevelt then set the following boundaries as to the types of information that would be given during the press meetings:

- (a) All street news in regard to news announcements from the White House was to be without quotations;
- (b) Direct quotations could only be used when given out in writing by the press secretary Steve Early;
- (c) Information given as background would be given to reporters on their own authority and responsibility, not to be attributed to the White House;
- (d) Off the record information was to be confidential and given only to those reporters who attended the conferences and not to be told to those who were not there.<sup>17</sup>

Most of the information given to the correspondents that day was as "background" material on the banking crisis.<sup>18</sup> Even though the President told the reporters almost nothing that they could attribute to him, the discussion



was so frank and refreshing that when the meeting ended thirty-five minutes later, the reporters broke into spontaneous applause.<sup>19</sup> To reinforce the new rules, Steve Early warned the groups as they left that he would make an example of anyone who violated the President's confidence.<sup>20</sup>

#### The Regular Press Meetings

Press conferences were usually held Wednesday mornings and Friday afternoons in the Executive Offices of the White House. The meeting times alternated between 10:30 a.m. and 4 p.m. to meet both the morning and afternoon newspaper editions each week.<sup>21</sup> The scheduling gave reporters of both kinds of papers a chance to have a byline story and front page story for different editions. The President knew that the scheduling of different times was important and in order to be fair, when his timetable changed he still alternated his twice weekly meetings.<sup>22</sup>

The fact that the conferences were held regularly twice a week was also a method of determining the news. The President, by meeting on equal terms with the 100-200 reporters who attended,<sup>23</sup> kept the correspondents from being "scooped" by their competition on news of major importance. Indeed, the regular meetings not only saved the reporters time and energy, but they also removed some of the tension of covering Washington. Moreover, many correspondents from smaller newspapers and news services were overloaded with numerous reportorial duties during those depression years. And they reacted positively to the President's format.<sup>24</sup>

Roosevelt himself considered maintaining dependable meetings important. Although trips interfered with the twice weekly schedule, he held mini-conferences aboard the Presidential Special Train,<sup>25</sup> or on the deck of a ship,<sup>26</sup> or when he was in Hyde Park,<sup>27</sup> or when he went to Warm Springs.<sup>28</sup> Although a smaller number of correspondents traveled with him away from Washington, he made efforts to continue to give them information.<sup>29</sup> Even when FDR was ill as with a cold, he would meet with a small delegation in his bedroom. Usually from the wire services, they verbally relayed information to the rest of the group and even read the transcripts to the reporters who would have attended the usual conference.<sup>30</sup>

#### Conference Preparations

The President considered the conferences so important that he prepared for them.<sup>31</sup> Press Secretary Steve Early met daily with the President after breakfast and mentions in his Diary the meetings in FDR's bedroom before the



press conferences to discuss possible subjects and materials.<sup>32</sup> Roosevelt referred to his preparations in the press conferences<sup>33</sup> and often had statements, telegrams and letters ready to read to the correspondents. For example, after the Supreme Court ruling against the National Recovery Act, May 27, 1935, Mr. Roosevelt took up much of the May 31 Press Conference with his collection of letters about the ruling. He read excerpt after excerpt to make his points about the dire implications of the Supreme Court decision.<sup>34</sup> Roosevelt once admitted to the special press conference for representatives of the American Association of Schools and Departments of Journalism and the American Association of Teachers of Journalism that

"Sometimes I think that a perfectly tremendous matter of very great importance is going to be the subject of the Press Conference, and I get ready. It is obvious to me that is news, and when the conference comes, nobody asks about it!" (Laughter)<sup>35</sup>

Despite the President's lament about not being asked what he had planned, Mr. Roosevelt even planned some of the questions with his press secretary. Early notes in his diary on April 24, 1935 that he requested Earl Godwin "ask the President what part he personally is going to play in the administration of this work relief bill."<sup>36</sup> At the press conference that same day, one of the very first questions asked was exactly that one. Roosevelt then launched into the subject with numerous examples of proposed projects as well as a theoretical chart to show the relationship between the new agencies and their projects. The planted question and the President's answer dominated the conference.<sup>37</sup>

In other instances the President asked for specific background material to use at the press conferences about the New England cotton mill closures<sup>38</sup> and the Civil Conservation Corps report.<sup>39</sup> Again, questions were asked which led into his statement or discussion on the particular issue in question. Neither topic had been discussed at the immediate previous press conferences.<sup>40</sup>

Nevertheless, Roosevelt wrote in his introduction to the selected press conference transcripts in his Public Papers and Addresses in 1938 that "I have not tried to create a Publicity Bureau for the administration or to 'plant' stories on its behalf ...."<sup>41</sup> Leo Rosten's study of the New Deal Washington Correspondents reported the rumor "that reporters 'in the front row claue' permitted themselves to be used for 'planted questions.'"<sup>42</sup> Although Rosten gave no evidence to substantiate his statement, the above instances do indicate a partnership between the executive office and the correspondents even for the particular questions asked at the press conferences. Certainly, these instances are in conflict with FDR's own statement of "I just take 'pot luck'...."<sup>43</sup>

In the 1935 critical, anti-FDR book Handout, George Michael mentioned an



unwritten rule that required correspondents to inform Steve Early of questions that they intended to ask ahead of time.<sup>44</sup> This accusation, too, has some validity as in the first term the President was known to say, "somebody is sure to ask a question about ..."<sup>45</sup> While it must be admitted that Roosevelt had an excellent "news sense" and he certainly kept abreast of the events of the day, yet he did refer to questions that he knew they were going to ask in the press conferences. Once when a correspondent stated, "I wish to ask you a question about that State Department release you have on the desk," FDR replied, "Steve (Mr. Early) said you were going to ...."<sup>46</sup>

#### The White House "Lodge" Meetings

The President also influenced newsgathering by the very exclusiveness of the press conferences. The meetings were limited to those Washington Correspondents who had credentials from either the House and Senate Press Galleries or from the White House Correspondents Association.<sup>47</sup> Although visitor permits were given upon request, only accredited correspondents could ask questions or make comments.<sup>48</sup> Moreover, the exact transcripts of the meetings were kept as a method of protecting the President in the event of a controversy over what was said.<sup>49</sup> Yet, they were considered confidential and only released when the President wanted them to be as with the selected transcripts in the 1938 Public Papers and Addresses.<sup>50</sup> Once when Republican Congressman Joseph W. Martin, Jr. requested to have the transcripts of a particular press meeting, F.D.R. refused. Mr. Roosevelt explained to the correspondents that he wanted informal meetings, open only to newspapermen. To do otherwise would put a sort of subconscious cramp on his style and make him overly concerned about his grammar and language. He was also afraid of a precedent for future conferences.<sup>51</sup>

Even though Press Secretary Early contended that the rule "has been not to permit any of these conferences to be transcribed to be distributed to anyone in government,"<sup>52</sup> the rule was broken at will. When the news became "hot" as when the President lashed out after the Supreme Court ruling on the National Recovery Act, May 27, 1935, many people wanted a copy of the May 31 press conference transcript. While correspondent Ruby Black's request for the press minutes was turned down,<sup>53</sup> transcripts were distributed to those persons Early and Roosevelt wanted to have them. The May 31 Press Conference transcripts were sent to Democratic Publicity Director Charles Michelson "to be used for his own information and for the guidance of Senator Robinson to let other Senators read"<sup>54</sup> and "TO ALL MEMBERS OF THE CABINET OR ACTING SECRETARIES IN CHARGE OF THE EXECUTIVE DEPARTMENTS," to give them a better understanding of what the President said



about the effects of the Supreme Court ruling.<sup>55</sup>

As far as can be determined no correspondent received a copy of this most important press conference transcript. Perhaps if they had, the President would have been more accurately quoted as a controversy developed over the press coverage of Roosevelt's discussions after the NRA decision and the ensuing uproar over the President's "horse and buggy" statement.<sup>56</sup>

Regardless of the consequences of the May 31, 1935 secret discussion, the press meetings were also held with a type of informal lodge meeting atmosphere. Roosevelt's informal, easygoing manner is indicated by the transcripts. As the correspondents filed into his office, he teased the newsmen with a comradery of someone who knew their secrets and lifestyles, who called them by their first names and who certainly read what they wrote. A familiar rapport set the scene. With the President's encouragement, the correspondents kept up a rapartee on the correspondents' baseball team,<sup>57</sup> a singing group,<sup>58</sup> and the reporters' clothes buying spree for Florida.<sup>59</sup> The President also gave numerous small hospitalities to the press; e.g., he made sure they had a place to stay near Hyde Park<sup>60</sup> and he asked if they were comfortable in a cottage at Warm Springs.<sup>61</sup> In his efforts to be helpful, he once mentioned holding a press release until he found a particular reporter.<sup>62</sup>

The Press Conferences became a type of exclusive club, a meeting of the "Knights of the White House," with the President being the senior fellow, ready to join in the fun but a trifle aloof.<sup>63</sup> The front row group had the Senior Fellows. They had the best vantage point for asking questions and hearing answers. Indeed, they were often referred to by first name by the President, most often kidded and were even asked to talk louder for the rest of the crowd.<sup>64</sup>

The President's familiarity with the correspondents, his good humor and his legendary story telling — all might be considered a form of psychological bribery for "good stories." Not only did the method at least initially win for him the reporters' high personal regard, but it also impelled many of them to give him and his plans the best news coverage without "violence to the facts."<sup>65</sup> Being called "Bill" by the Chief Executive left a glow that might linger even as the news was being written.<sup>66</sup>

FDR's repartee of laughter and good humor was used to spar with reporters and could "soothe the beast." For example, he had a quick retort following several questions trying to pin him down on a possible position for George N. Peek, "Really, this is not a cross-examination." Laughter followed and indeed,



the remark was effective and the mode of questioning changed.<sup>67</sup>

Within such an informal atmosphere, Roosevelt could use anecdotes to divert or soften the line of questioning. For example, when a reporter tried to find out if anything was developing on the nation's money crisis, the President answered, "I would not tell you if there was but there isn't." He then launched into the financial losses of Appointments Secretary MacIntyre when his pocket was picked and he lost his watch. The tactic successfully diverted the line of questioning.<sup>68</sup>

#### The Format of the Press Conferences

The very format of the press conferences established important boundaries for determining the news. Although the informal back and forth banter initially began the conferences, by January 1934 Bill Donaldson of the House Press Gallery usually gave the signal to begin by shouting "All in" from the rear of the room. The door was then closed and remained so until the conference ended. In fact, the President asked the correspondents at the second Press Conference to plan to stay in the room until the meeting was over to be fair to all.<sup>69</sup> The journalists were treated on an equal basis by being "locked in" and usually had to run from the conferences to telephones down the hall and call in their stories.

Mr. Roosevelt initially closed the press meetings. After the fast moving action of the beginning of the New Deal had slowed down somewhat, the most senior wire service member there, usually Francis H. Stephenson of the Associated Press, gave a concluding signal. From September 29, 1933 on, a final statement of "Thank you, Mr. President," or some other similar salutation was regularly used. Leo Rosten suggests without evidence that this technique was used to rescue Mr. Roosevelt from embarrassing situations.<sup>70</sup> Indeed, the device may have been used to refrain from giving out information that the President was not ready to divulge as in the area of international relations. For example, during the 1933 Cuban palace revolt, Roosevelt was asked 15 minutes into a October Press Conference if he was considering abrogation of the Platt Amendment, which had among its provisions that the United States was at liberty to intervene in Cuba for the purpose of preserving order and maintaining Cuban independence.<sup>71</sup> In answer to the question, FDR shook his head in the negative and the signal, "Thank you, Mr. President," was given.<sup>72</sup> Despite Mr. Roosevelt's negative response, the changes in the Platt Amendment were being considered.<sup>73</sup> FDR himself announced in a public address in December that "the definite policy of the United States from now on is one opposed to armed intervention."<sup>74</sup> By May, 1934 the United States and Cuba signed a treaty to abrogate the Amendment.<sup>75</sup>



### Use of Press Conference Rules

The President's control of the press conference information was aided by the press conference rules. He ordinarily started the meetings with announcements and gave out mimeographed copies with the exact time and date to be released.<sup>76</sup> FDR was the master of timing and released news when it could make the greatest impact. For example, at the beginning of the January 31, 1934 afternoon conference, he began with the following statement,

"Will you please not go out for five minutes. It will be a very short conference because I would very much like to have you all get this on the wires as soon as possible. The reason for the haste is that the gold market over here stays open until five or half-past and it will probably be advantageous for the American gold market to be open instead of having this openrate only on the European gold market tomorrow morning. There, the quicker you get it out the better I will be pleased ..."<sup>77</sup>

Roosevelt's personal announcement to several hundred newspaper correspondents invested the item with the Roosevelt charm as well as the very prestige of coming directly from the President.<sup>78</sup>

The President's rule of having direct quotations mimeographed was an important boundary for determining news. Many times the President began his conferences by discussing a particular mimeographed statement.<sup>79</sup> Reporters were given the messages to Congress ahead of time, as well as addresses and statements from the Press Conferences. These advance copies were also timed for the greatest impact. They not only assured the accuracy of Mr. Roosevelt's statements, but they also gave his particular point of view and interpretation. Moreover, they saved the reporters' time by giving them a chance to read the contents carefully and to write the story before the event occurred.

Although Roosevelt's rules stated that direct quotes were only to be used when given out in writing by Steve Early, sometimes in the middle of the conference, a reporter would ask if they could "quote" a remark of the President. Although usually given permission, the "horse and buggy" phrase of the May 31, 1935 press conference did create an uproar. The reporters may have needed the catchy phrase to put the President's viewpoints of the two-hour press conference on the Supreme Court decision to overturn the National Recovery Act and their thousands of words into some kind of perspective.<sup>80</sup> That one particular phrase was taken figuratively as a New Dealer's attack on conservative judges. Not only did the reporters misunderstand the President's statement, but even historians did so, too.<sup>81</sup> Note the actual quote which should have been repeated for accuracy or else enlarged for quotation:



"THE PRESIDENT: You see the implications of the decision and that is why I say it is one of the most important decisions ever rendered in this country.... The issue is going to be whether we go one way or the other.... It is not right or left — it is questions for national decision on a very important problem of government. We are the only nation in the world that has not solved that problem. We thought we were solving it, and now it has been thrown right straight in our faces and we have been relegated to the horse-and-buggy definition of interstate commerce.

Now as to the way out — I suppose you will want to know something about what I am going to do. I am going to tell you very, very little on that.... So many suggestions have come that I have asked all of the suggestors to send their suggestions to a central source .... Have you any other questions?

Q: (Mr. Stephenson) Can we use the direct quotation on that "horse and buggy stage?"

THE PRESIDENT: I think so.

MR. EARLY: Just the phrase."<sup>82</sup>

The direct quote stipulation presented the problem as shown above as it relied on a contractual agreement of the reporters to follow the exact rule. Within four months of the first year, FDR reminded the correspondents that sentences stated at the conferences could not be quoted with specific permission.<sup>83</sup>

If no announcements began the conference, Roosevelt asked "What's the news?" or "I don't have any particular news," or some variation thereof. In fact, after he set up the conference rules at his first press meeting, he jokingly said, "Now, as to news, I don't think there is any." (Laughter)<sup>84</sup> He said this, even though he had much new information on the banking crisis and possible legislation. Indeed, FDR may have been waiting for the reporters to determine the news of the day by their very questions, or else to lead them skillfully into his planned discussions. Despite Roosevelt's qualifying statements, the correspondents were quick to remind him that "you told us no news Friday and we filled up the paper."<sup>85</sup>

The bulk of the press conferences were taken up with information given in the informal background form. During the regular meetings, which usually ranged from 20 to 30 minutes in length, twenty to thirty questions could be asked. The reporters asked the questions and the President by his explanations in one sense determined the story with the information he gave. Although Roosevelt stated at the first press conference that background information was to be used on the reporters' own authority and not attributed to the White House, by November 1, 1933 this rule changed to where news could be attributed to the President if



written in the third person.<sup>86</sup> Nevertheless, the correspondents were confused even by FDR's fourth term and believed that the "background" stipulation was a troublesome classification. Because they were reprimanded for their interpretations,<sup>87</sup> they did not know whether to write stories in the third person or to use it in a limited interpretation or to paraphrase it as a limited attribution.<sup>88</sup>

From the beginning of the press conferences, FDR used the label of "iffy" questions to stop discussions during the background sessions. At his first press meeting, Roosevelt warned that he would not answer "if" questions and referred to "Brother Stephenson" (Francis Stephenson of the A.P.) to define what an "if" question was. Stephenson only answered that he "asked forty of them a day."<sup>89</sup> The "if" questions came to mean different things during the press meetings of the first year. The President retorted as "a terrible 'if' question" on a proposal on expanding the credit before expanding the currency<sup>90</sup> to possible farm legislation as causing debate and postponing adjournment as another "'if' question."<sup>91</sup> FDR labeled as "too much if" on areas in which policy had not been made<sup>92</sup> and most of all he used the answer of "speculative, if question" on foreign policy."<sup>93</sup> Besides speculative questions, he would also label "that is an opinion question, and 'if' question,"<sup>94</sup> even though he often gave his opinions.

Indeed, the ambiguous nature of the "if" labels were useful to the President. In their inexactitude, they gave Roosevelt latitude to rule out those questions he did not want to answer. By 1935 the label was used concerning the exemption of war debts,<sup>95</sup> acceptance of the Wheeler-Rayburn bill,<sup>96</sup> and possible balance of the budget.<sup>97</sup> In 1936 the label was used as an answer to questions about the campaign<sup>98</sup> and earmarking certain funds.<sup>99</sup> The "if" label was an effective device to stop a particular line of questioning during the background session.

The "off the record" rule was, of course, a most effective method for containing information. The President defined the rule himself, "... I want to repeat very simply that 'off the record' means merely 'in confidence.' It is only for information to prevent more than anything else, the wrong kind of stories from being written."<sup>100</sup> Information was to be sealed. FDR freely used this method to explain advance plans, illustrate possible courses of action and changes in policy, think and talk freely with the correspondents. The category was first used by the President to cover little pleasantries about himself,<sup>101</sup> personnel appointments,<sup>102</sup> and foreign relations.<sup>103</sup> Special conferences like the budget meetings were strictly "off the record" and held in absolute confidence until the Budget Message was officially released.<sup>104</sup>

The "off the record" stipulation, although admittedly a convenience to the President, was also valuable to reporters since it provided points of orientation



amid the Washington rumors and political controversy, and as possible checks on the authenticity of stories. "Off the record" information could be used to illuminate future courses of action and point to possible policy changes.<sup>105</sup> It could stop rumors by revealing facts in confidence as well as prevent reporters from unknowingly blundering into an area of delicate foreign negotiations. FDR could explain to their satisfaction why care should be exercised.<sup>106</sup> Moreover, at least initially, the reporters were flattered by the President's confidences. Comments given under the "off the record" stipulation not only gave the reporters Mr. Roosevelt's thoughts and motives, but also relied upon the correspondents' professional ethics concerning secrecy.<sup>107</sup>

When the reporters openly broke the "off the record" rule, they received a reprimand from Press Secretary Steve Early.<sup>108</sup> The budget conferences and foreign policy areas were the most strictly enforced. The rule meant not even an inference that information came from the President's press conference.<sup>109</sup> Roosevelt himself said that the rule was 80-90% effective.<sup>110</sup> Nevertheless, this rule, too, must have changed to some degree with usage. By early 1936, Steve Early wrote Phelps Adams that his New York Sun story concerning "off the record" information "violates the rule preventing direct quotation of the President...."<sup>111</sup>

Despite FDR's demands for confidence and Early's reprimands for compliance, visitors at the National Press Club could hear half a dozen stories an afternoon which fell into the "off the record" stipulation.<sup>112</sup> Columnist Drew Pearson wrote Steve Early that the information he obtained from parties in conversation was evidently within the "off the record" rule.<sup>113</sup> Perhaps, the rule was impossible to follow and enforce. While it was continued as a matter of convenience, FDR should have known that reporters had their first allegiance to the newspapers and their editors. The President possibly knew that the remarks would find their way ultimately into press dispatches in some disguised form. If the particular information was inconvenient, the interpretation or viewpoint wrong, then Early gave a reprimand. Yet the information given under this rule may have even become a clever and deceptive kind of "trial balloon."<sup>114</sup>

#### The President's Other Tactics

Mr. Roosevelt used a number of other tactics other than press conference rules. He was able to avoid questions skillfully with evasive remarks such as "I haven't enough information," "I haven't looked at it," or "haven't thought of it" — all in the same conference.<sup>115</sup> Sometimes, the President would just repeat a question,<sup>116</sup> or resort to laughter,<sup>117</sup> or not answer the question,<sup>118</sup> or even answer "No comment".<sup>119</sup> In using his method of avoiding questions, he would also



just repeat a previous answer with a statement of "I think that is all there is to say about it."<sup>120</sup>

The President's elusive tactics were all the more noticeable in the delicate area of foreign relations. For example, the President's skill can be noted in his December 7, 1934 conference,

Q: Do you share Ambassador Bingham's views that a great opportunity exists at the present time for Anglo-American cooperation?

THE PRESIDENT: Where did you get that?

Q: He expressed that in a speech in London last week.

THE PRESIDENT: I will have to get a copy of it. (Laughter.)<sup>121</sup>

Later at his National Emergency Council meeting, FDR explained to agency chiefs on public relations how he handled potential explosive questions. He referred to the same December 7 press conference and said that if he had commented on the Bingham statement and backed up the Ambassador, it would have expressed that the President advocated a working alliance between the United States and Great Britain. As both the U.S. and Britain were having some trouble with Japan, it would have become a sensational story, an Anglo-American alliance against Japan. On the other hand, if he had said, "I have no comment to make on the speech of the American Ambassador," it would have made headlines intimating that the President dissented from Bingham's statement. Either way, FDR knew he could be misinterpreted. Thus, he inferred that he had not seen it, when, in fact, he had.<sup>122</sup>

Mr. Roosevelt was also able to control information during the press conferences by interrupting or "interposing," as it is labeled in the transcripts. Numerous examples can be found of this evasive technique during his first term in office. While in some cases he may have been only too eager to answer the question asked,<sup>123</sup> he would also hurry through a pointed question with a kind of irritation. As the number of Supreme Court decisions against the New Deal programs increased, the President's concern was noticeable with the use of "interposing" not only on the court decisions<sup>124</sup> but on names of individuals.<sup>125</sup>

Mr. Roosevelt could also avoid answering questions and stop discussion by other techniques. He could answer "No,"<sup>126</sup> or would also ignore or refuse to answer a question,<sup>127</sup> or openly show his contempt for a question he did not want to discuss. Correspondent Raymond Clapper noted that in his February 15, 1935 conference, Roosevelt's face tightened and he remarked sharply to a question about his attitude on the Rayburn-Wheeler holding company bill.<sup>128</sup> His rebuke was long and his wrath against the press was found in the transcript:

THE PRESIDENT: I have never seen it. This is the same old thing. There isn't a story. When I say I haven't seen a thing you can't



write a story that the President discussed the paternity of this, that or the other thing. I don't comment on pending legislation one way or the other, and no deductions are to be made from the statement one way or the other. I don't comment on pending legislation. ... I am apt to comment on it when it comes to me but not until then, and therefore, please don't make deductions because during the past week or two there were a number of deductions made which, frankly were not exactly correct. I say what is a perfectly simple rule, and it is not different this year from last, I said it last year and the year before — deductions are probably 99 per cent wrong.<sup>129</sup>

Roosevelt liked to be in complete control. He even let reporters know that he was not revealing everything he knew. He often told them when he was not ready to give them information. Indeed, he once began a conference with the reference to being exhausted after talking to 105 editors the night before. When asked if he could tell the correspondents what he talked about, he answered,

"not by a jugful. I was much franker with them than I ever am with you. That is awful, isn't it?"<sup>130</sup>

As another tactic, Mr. Roosevelt would tell the correspondents exactly how to write stories. He had a fantastic public relations ability as to what would make the most favorable impact. Even at his first press meeting, he demonstrated this skill when he answered a request to change the "off the record" remark to background,

"I don't want anybody to get the idea in reading the stories that the average bank isn't going to pay one hundred cents on the dollar, because the average bank is going to pay."<sup>131</sup>

He further told the reporters how to interpret information from his first budget conference,

"In regard to the message, I suppose if I were writing your stories for you, I would say it is the most brutally frank Budget Message ever sent in. In other words, I am not mincing words or trying to hide anything."<sup>132</sup>

Sometimes, FDR would caution reporters as to the exact substance of the story as well as label its type. Concerning a correspondent's questions as to when there would be a permanent National Recovery Reorganization, the President answered,

"There I think you can probably make a fairly good guess on that. If I were writing the story I would say that there will undoubtedly be a recommendation to the Congress for permanent legislation ..."

When the questioner became more specific, Roosevelt retorted,

"Now you are getting too definite. I don't know. That is the trouble, you haven't a spot news story. You have an interpretative long range story. ..."<sup>133</sup>

In addition, FDR would advise the correspondents on how to use indirectness "to stretch the truth" a little.



Q: On this housing program we were just talking about has that been decided on at all?

THE PRESIDENT: In figures, no. In policy, yes.

Q: Could we use that fact?

THE PRESIDENT: Depends on what you use with it. In other words, if I were writing the story today I think it would be perfectly all right to say this, without putting it on me: It has been made perfectly clear by people coming to Warm Springs to see the President (laughter), meaning the Press (laughter), that the Government recognizes as a matter of policy its obligation to those people in the United States whose standards of living are so low that something has to be done about it, ...<sup>134</sup>

Roosevelt even told the reporters what not to write, as he did in April, 1933 when he said, "Oh, yes, by the way, entirely off the record, do not write stories about five or six billion dollars of public works. That is wild."<sup>135</sup>

President Roosevelt could very definitely influence the news by defining where the correspondents could go and find their information. He sent the reporters to particular articles he liked. He once noted that you "boys could ask about and get an awfully good story," and referred them to an editorial in the London Times on the British right of collective bargaining and the freedom of labor to organize.<sup>136</sup> On the topic of gold exporting, FDR once said,

"If I were going to write a story, I would write it along the lines of the decision that was taken last Saturday ... If you want to know the reason why, I think the best exposition of it was by Walter Lippmann yesterday morning."<sup>137</sup>

While he sent reporters directly to sources, he unequivocally wanted the journalists to go to the top or to the public relations officer for news.

In his special press conference for Teachers of Journalism, Roosevelt gave an explanation for his thinking along these lines,

"A newspaper man down here will very often say, 'I have to write a good story on such and such policy.' He goes around and collects a dab of information here and there and the other place, without any relation. Having got all these dabs of information, he sits down and goes through a process of mental evolution. He says if this is so, that will follow, and something else will follow because there is a little suggestion of it in what somebody has said. The interesting thing is that things built up on that kind of background of information are nearly always wrong. It is not a good way to write a story. [my emphasis] It is a case based on a whole lot of individual premises that in most cases do not dovetail in the picture, and it lays us open to criticism. ..."<sup>138</sup>

The fact that the President determined the story so well was also the fault of the reporters. Many times, they not only asked for sources but also for the very boundaries on how to write the news. For example, note the following exchange,



Q: Mr. President, if you were going to write a story today for the morning papers, what would you write?

PRESIDENT: I would write that the power people were all down here and were discussing power and legislation, just a preliminary talk.<sup>139</sup>

In using his many tactics, Mr. Roosevelt was also able to cut off the flow of news whenever he wished. Although Secretary Early might openly say that efforts were made to continue giving out information when the President made trips, meetings were not then held on the usual regular basis.<sup>140</sup> Despite the President's later contention that "I ... have seldom missed one,"<sup>141</sup> he would put a "lid" on the flow of news when he took cruises, vacations, trips and even during the week-ends. After his first month in office, he told reporters that he had good news for them "that following the old Albany custom, we would declare a moratorium on all news from Saturday noon until Monday morning." While this "lid" would relieve reporters from the work pressure and in a sense "wooed them," they were only initially pleased.<sup>142</sup> Criticism grew by the late summer of 1933 because of the news "lid" and lack of information when the President was away from the White House. The correspondents complained that Mr. Roosevelt did not give the numerous bits of colorful copy of the personal incident sort as had Calvin Coolidge when he was on trips. Furthermore, the President was not giving out the personal comings and goings of visitors as well as about himself when he was away from the capital.<sup>143</sup> By 1936, he had even cut back the numbers of press conferences to 70, twelve less than any of his previous presidential years and had 225 less transcript sections.<sup>144</sup>

#### Jawboning<sup>145</sup>

The White House reporters were not alone in expressing dissatisfaction as the President openly criticized the journalists, their stories and newspapers, in general. Even during his early days as President, FDR was quick to complain about the reporters' inaccuracy,<sup>146</sup> misleading headlines<sup>147</sup> and speculative stories.<sup>148</sup> In addition, the correct timing was of utmost importance. If policy was not completely formulated, Roosevelt wanted no publicity during the decision making process unless advantageous as to force Congress to act.<sup>149</sup>

Mr. Roosevelt was most conscious about the effects of the correspondents' stories on international relations. At first, he was tactful and restrained in his criticism. When the United States was negotiating over the war debt with France, the President asked to talk "in the family" at the May 31, 1933 press conference. He prefaced his statement with "it may be awfully rough but it is only in the family," and then he discussed the possible implications of stories



about Secretary of Treasury William Woodin going to Germany when he actually was staying right here. The President said,

"I am sorry to have had to say all this, but it is very serious embarrassment to our Government to have had that kind of story and I know you want me to tell you the things that worry me. Those stories that have been made up out of the whole cloth have been a source of very much worry to me where they affected our foreign relations."<sup>150</sup>

With his most tactful efforts, the President gained sympathetic listeners. One correspondent even asked FDR to lift the "lid" on the "off the record" stipulation "for us to inform our offices in confidence about what you said."<sup>151</sup>

At the same press conference, Mr. Roosevelt read an example of a misleading New York Times story which stated that the White House had refused to concede publicly that there had been any definite program adopted by the President in dealing with the war debt problem. FDR noted that it was like a

"story one day that the President had murdered his own grandmother and the next day saying that the President had refused to concede that he had murdered his own grandmother."<sup>152</sup>

Again in 1933, Roosevelt used humor as a subtle way of registering a complaint. In answer to a query about comment on a possible newspaper code in the N.R.A. and press freedom,

"No, only Dave Stern's editorial in the New York Evening Post last night; I commend it to John Boettiger and, John, entirely off the record, I wish you would give a dare to Bert (referring to Robert McCormick) to reprint it. (Laughter)."<sup>153</sup>

Chicago Tribune correspondent Boettiger assured the President that he would and that he would even mail Roosevelt a copy of it. Indeed, FDR's remark was effective as on December 29, Boettiger told Roosevelt that the Stern New York Post editorial was to be in the December 30 Tribune "compliments of Colonel McCormick."<sup>154</sup>

As the New Deal budget grew larger and newspaper editorials continued complaining about an unbalanced budget despite FDR's "budget school sessions," the President lost his restrained, tactful manner in criticizing the press. By 1934 he was lashing out at reporters by name, and their budget stories,

"... the number of people who have come to me, ... and said — readers of these papers — 'Why are people trying to destroy the credit of their own Government?' It is a bit like that front page of the Sun that came out two weeks ago Saturday that I wrote Will Dewart (New York Sun) about. The average layman, reading that sort of thing, says, 'My God, is the Government going to have trouble in financing a small amount of \$1,700,000,000 on September 15 and October 15?' That is the impression he would gain from reading the financial pages and the front pages. ..."<sup>155</sup>

Not only was the President wanting his own interpretation on budget stories, but he was most concerned with the "scare" tactics of the press. By 1935, the President's October budget statements were prefaced with what he called his



"annual warning on budget stories."<sup>156</sup>

Also by 1935, Roosevelt's protests were much more numerous. He no longer had the tactful, restrained manner of his May 31, 1933 press conference. He was now clamoring about "fool stories in fool press,"<sup>157</sup> "cuckoo stories in the press,"<sup>158</sup> the opposition of the Hearst Press,<sup>159</sup> the inadequate understanding by Eastern managing editors about farming in references to the Agriculture Adjustment Act stories,<sup>160</sup> and the editorial weaknesses in interpreting unemployment statistics.<sup>161</sup> Roosevelt used sarcasm in denying a story<sup>162</sup> and repeated that there was a tendency to "color the news stories."<sup>163</sup> By the end of the year, he said that he did not believe what he read in the press because of editorial decisions. He explained to the Teachers of Journalism that there was a general lack of confidence in newspaper policy,

"Lack of confidence today is not because of the editorials but because of the colored news stories and the failure on the part of some papers to print the news. Very often, as you know, they kill a story if it is contrary to the policy of the owner of the paper. It is not the man at the desk in most cases. It is not the reporter. It goes back to the owner of the paper."<sup>164</sup>

Indeed, the conflict between Roosevelt and the newspaper owners was at a peak. By 1935 many aspects of Roosevelt's New Deal program were faltering: the budget grew more unbalanced, the courts were ruling against some of his programs and expectations had been higher than reality. The American press responded. The President reacted. To the prying White House Correspondents, he now became their adversary. His criticism of them openly increased. The publishers, already greatly Republican in philosophy, had looked askance at the National Industrial Recovery Act, section 7a guaranteeing collective bargaining rights and the freedom of labor to organize. To powerful publishers like Robert McCormick and William Randolph Hearst, the freedom of the press was at stake.<sup>165</sup> By the 1936 election, Roosevelt had only 37% support of the American dailies even though he won with 60% of the popular vote.<sup>166</sup>

Nevertheless, the Roosevelt triades against the press were useful. The "jawboning" was another effective method of evading questions of a "sore point" nature. Moreover, they were also **effective in a negative sense** for changing the mode of questioning for the moment. But, as the President became more vigorously open in his criticism, he lost some of his following, even among the correspondents.<sup>167</sup>

#### The Press Conferences Influence Newsgathering

By the time that the first Roosevelt term was over, the President had held 337 press conferences, an average of three meetings every two weeks. Franklin



D. Roosevelt had seen the need for continuous meetings to supply executive information and details and to assure accuracy and a favorable point of view in the news stories. Press conferences could be a forum from which he discussed policy or urged support for legislation. News could not be interpretation, nor could formulative policy be discussed, especially in the sensitive areas of international relations. FDR preferred "straight reporting" of the kind that could be done by a stenographer. However, old-style journalism was too inadequate to explain the New Deal programs and economics in the specialist's idioms. If interpretative stories were favorable, then Mr. Roosevelt acquiesced. Indeed, he recognized the journalism changes and once said that interpretive journalism was "one of the most difficult problems we have...."<sup>168</sup> FDR also disliked other opinions and told reporters and editors that they could not write a daily column intelligently and be 100% correct.<sup>169</sup> Even though Roosevelt would remain in the public eye on a continuous basis with press conferences, he clearly saw no "watchdog" role for the press, no separate estate as Raymond Clapper had related before the first press conference.

Franklin Roosevelt had numerous methods for influencing the news about himself and his administration. He could do this by the very format of the press meetings. He could not only determine the exact news but also give it its greatest impact for headlines with regular meetings, an astute sense of timing for breaking news, and a continuous supply of fresh information. By alternating the times of the meetings, he could have front page news in both the morning and evening newspapers during the week. He could start and cut off the conferences with signals.

FDR's very rules for the meetings set the boundaries for information and accuracy. His "direct quotation" rule was most effective and limited the exact information as stated by the President. Only once with the May 31, 1935 "horse-and-buggy" quote was there a problem. With "background" and "off the record" rules, Roosevelt would disperse information indirectly, even launch trial balloons, and avoid publication of certain information. As noted, the background stipulation did present interpretation problems. The "off the record" rule, while an attempt to "put the lid" on news, was impossible to follow and resented by the correspondents. Information given under its label was freely discussed outside the press conferences and by the end of Roosevelt's first term, it was melting into the "background" rule requirements.

The President's personal press skills were appreciated by the White House Correspondents. They admired the fact that he could "time" a story for its greatest impact, dramatize announcements and gain for them front-page bylines.



Although historian James MacGregor Burns wrote that the press transcripts rarely contained strikingly important ideas or statements,<sup>170</sup> correspondents did get news from the President. Even when he began the meetings with the quip, "I have no news today," he did not send them away empty-handed. Through his skill for influencing newsgathering, he was able to define the issues while lessening the impact of undesirable information. Most newspaper reporters watched the President with a mixture of delight and professional admiration for his adroitness in answering their questions.<sup>171</sup> They were seeking to use him to help write a story as much as he was trying to use them.

The press meetings with their informality, their exclusive, lodge-like atmosphere gained for the President a sympathetic tone even when the publishers and editors were opposing the President's policies. His humor and likeable personality from the first handshake for each individual correspondent, helped influence newsgathering with his very character. By winning, at least initially, the reporters' high personal regard, he could stop those questions he did not want to answer. Indeed, his charming manner impelled many correspondents to give him and his plans the best news coverage without violation to the facts. The press conferences were fun. Both parties gained. The President not only gave out his story, but the correspondents had several laughs as well as a couple of top-head dispatches in a time-saving twenty-minute visit. Franklin Roosevelt's press conferences became the greatest show in Washington, D.C.<sup>172</sup> and he knew it. Once he remarked "most of the people in the back row are here for curiosity. Isn't that right?"<sup>173</sup>

Franklin Roosevelt continued in using the press more than the owners and publishers succeeded in abusing him in editorials. At first, the President was able to smother the adversary role almost completely through his numerous tactics. He had discussions on how to write or **what not to write, where to get the information,** when to use it, and even what to do to stretch the truth a little. FDR could also control the news by his press conferences preparations. He even "planted" questions. He used humor and labeled questions as "too iffy" as evasive tactics. If nothing else worked, the President "jawboned" and the reporters were put in a defensive position. Although his early criticisms were tactful and full of humor, he later chastized the journalists. But, he had no "Ananias Club" as had the previous President Roosevelt. Moreover, rather than cancel the twice-weekly press meetings as had his immediate predecessor, Franklin Roosevelt continued the press meetings although in lesser numbers and length.<sup>174</sup> The Press Conferences were a most useful device and an effective means of regularly channeling information and influencing newsgathering.<sup>175</sup>



# FOOTNOTES

- 1 New York Times, 4 March, 1933, p. 2.
- 2 Frank Freidel, F.D.R., Launching the New Deal Vol. IV. (Boston: Little Brown and Co., 1973), p. 202.
- 3 Influence newsgathering is defined in this study as to determine what information was obtained, used and disseminated, Mr. Roosevelt's news policy and his own definition of exactly what was and should be news.
- 4 Edwin Emery, The Press and America, An Interpretative History of the Mass Media (Englewood Cliffs: Prentice Hall, Inc., 1972 ed.), p. 740.
- 5 John Tebbel, The Media in America (New York: Mentor, 1974 ed.), p. 416.
- 6 Theodore G. Joslin, Sunday Star, 1934, found in Samuel I. Rosenman, ed., Public Papers and Addresses of Franklin D. Roosevelt vol. 2 (New York: Random House, 1938), p. 40-41.
- 7 Tebbel, The Media in America, p. 416.  
William L. Rivers, The Opinionmakers (Boston: Beacon Press, 1967 ed.), p. 134-5.
- 8 James C. Ragland, "Franklin D. Roosevelt and Public Opinion," Ph.D. Dissertation, Stanford University, 1954.  
John H. Sharon, "The Psychology of a Fireside Chat," Unpublished Senior Thesis, Princeton University, 1949.  
Samuel L. Becker, "Presidential Power: The Influence of Broadcasting." Quarterly Journal of Speech LXVII (February, 1961).  
Daniel J. **Boorstin**, "Selling the President to the People," Commentary XX (November, 1955):426-7.  
Elmer E. Cornwell, "The Presidential Press Conference: A Study in Institutionalization," Midwest Journal of Political Science (Nov., 1960):370-389.  
H. G. Michalos, "Roosevelt and Public Opinion" Fortnightly CLXIII (May, 1945) 303-8.
- 9 Samuel I. Rosenman, ed., The Public Papers and Addresses of Franklin D. Roosevelt, Vol. 1 (New York: Harper & Row, 1938), pp. 39-40.
- 10 Raymond Clapper to Bob Bender, March 1, 1933, Library of Congress, Clapper Personal File, #8, Letters, 1933. Clapper became writer for Washington Post December 27, 1933.
- 11 Ibid.
- 12 New York Times, 3 March, 1933.
- 13 New York Times, 4 March, 1933.
- 14 Franklin D. Roosevelt Diary, March 5, 1933, FDRL (kept only 2 days). Press Associations were Associated Press, International News Service, United Press and Scripps-Howard Newspaper Alliance.
- 15 New York Times, 9 March 1933. n.a. "Mr. Roosevelt 'Ungags' the Press," Literary Digest 115 (March 25, 1933):10
- 16 Franklin D. Roosevelt, Complete Press Conferences of Franklin D. Roosevelt, Vol. 1 (New York: DaCapo Press, 1972), pp. 1-2.



In the Bible, Ananias was a man struck dead for lying. Acts 5:1-5.

- 17 Roosevelt, Complete Press Conferences, Vol. 1:2-3.

Indirect attribution and direct quote rules had existed since Teddy Roosevelt's era. Herbert Hoover's "background" rule was FDR's "off the record" stipulation.

- 18 Ibid., Vol. 1:4-16.

- 19 Raymond Clapper Diary, March 8, 1933, Lof C (To be used henceforth for Library of Congress), Personal File #8.

New York Times, 9 March, 1933, p. L8.

- 20 Clapper Diary, Ibid.

- 21 Rarely did the meetings begin exactly on time.

- 22 See Memo examples for the Press Conferences. Memo from Steve Early to the Press. OF36 (To be used henceforth for Office File), Franklin D. Roosevelt Library, May 15, 1933, January 9, 1935, January 13, 1935, May 8, 1935, and November 12, 1935.

Franklin D. Roosevelt was not the first President to alternate the weekly format. Warren G. Harding started alternating the biweekly press meetings when he came into office in 1921.

- 23 Numbers mentioned by FDR in his Public Papers, Vol. II, pp. 39-40.

Franklin D. Roosevelt, "Notes," Samuel I. Rosenman ed. The Public Papers and Addresses of Franklin D. Roosevelt, Vol. 2, pp. 39-40.

See also Press Conference 63, October 25, 1933, Vol. 2:365-377.

- 24 Rosten, Washington Correspondents, p. 60.

Interview with Ruth Finney Allen, Washington, D. C., June 8, 1976.

- 25 Roosevelt, Complete Press Conferences, Press Conference 212, June 12, 1935.

- 26 Ibid., Press Conference 287, April 8, 1936.

- 27 Ibid., Press Conferences 41, 42 and 43, August 7, 9, 11, 1933.

- 28 Ibid., Press Conference 71, November 22, 1933.

- 29 Steve Early to Alfred Dashiell, August 24, 1934, OF36, Press, 1934, FDRL (To be used henceforth for Franklin D. Roosevelt Library).

Usually at the most, only 15-20 reporters traveled with FDR on trips.

- 30 Franklin D. Roosevelt, "Notes," Samuel I. Rosenman ed. The Public Papers and Addresses of Franklin D. Roosevelt, Vol. 2, pp. 39-40.

See also Press Conference 63, October 25, 1933, Vol. 2:365-377.

- 31 Alfred D. Stedman to Steve Early, August 23, 1935, OF36, FDRL. FDR (To be used henceforth for Franklin D. Roosevelt) Memo to Steve Early, April 17, 1935, OF36, FDRL.

Early (To be used henceforth for Stephen "Steve" Early) Memo to Murray W. Latimer, July 11, 1936, OF36, Box 2, FDRL.

FDR Memo to Early, September 14, 1936, OF36, FDRL.

Harry Hopkins to FDR, FDR to Hopkins, July 1, 1935, OF36, FDRL.

- 32 Stephen Early Diary, FDRL, 3-17-1934, 2-15-1935, 4-24-1935, 5-15-1936.

Henry F. Pringle, "Profiles, The President, I" The New Yorker 10 (June 16, 1934):25.



- 33 Roosevelt, Complete Press Conferences, Press Conference 47, August 25, 1933, Vol. 2:207.
- 34 Ibid., Press Conference 209, May 31, 1935, Vol. 5:309-337.
- 35 Ibid., Press Conference 260-A, December 27, 1935, Vol. 6:363.
- 36 Early Diary, FDRL, April 24, 1935.
- 37 Roosevelt, Complete Press Conferences, P.C., 198, 4-24-35, Vol. 5:225-243.
- 38 FDR Memo to Marvin McIntyre and Steve Early, April 17, 1935, OF36, Press, FDRL.  
Problems in the New England cotton mills were due to the processing tax, north and south wage differences, price of raw cotton and imported textiles.
- 39 Guy D. McKinny Memo to Steve Early, September 24, 1935, OF36, FDRL.
- 40 Roosevelt, Complete Press Conferences, Press Conference 197, April 19, 1935, Vol. 5:217. Questions in the P.C.s usually have no names unless President refers to indiv. or the stenographer makes notation.  
  
Roosevelt, Complete Press Conferences, Press Conference 241, September 25, 1935, Vol. 6:198-199.
- 41 Roosevelt, Public Papers and Addresses, Vol. 2, p. 39.
- 42 Rosten, Washington Correspondents, p. 58.  
  
Elmer E. Cornwell, Jr. in Presidential Leadership of Public Opinion (Bloomington, Indiana: University of Indiana Press, 1965) also states that questions were planted in later administrations. (p. 157-8) Cornwell's evidence was Louis W. Koenig; Invisible Presidency (New York: Rinehart and Co., 1960) p. 273. Koenig refers to Tom Corcoran, who "might" plant a useful question to be raised in the President's or a cabinet secretary's press conference.
- 43 Roosevelt, Complete Press Conferences, Press Conference 260-A, December 27, 1935, Vol. 6:363.  
  
The Press Conference transcripts rarely refer to a questioner by name, usually just a "Q." is used. Whether these questions were by the "front row clique", usually the wire association members, is difficult to ascertain unless the President calls them by name in his answer.
- 44 George Michael, Handout (New York: G.P. Putnam's Sons, 1935), p. 234.
- 45 Roosevelt, Complete Press Conferences, Press Conference 86, January 10, 1934, Vol. 3:48.
- 46 Ibid., Press Conference 78, December 15, 1933, Vol. 2:546.
- 47 Early to Joseph Ness, November 15, 1933, OF36, 1933, Box 1, FDRL.  
  
See "Rules Governing Press Galleries," 73 Congressional Directory, 1st Session (June 1933), p. 579.
- 48 Walter Davenport "The President and the Press," Collier's 115 (Jan. 27, 1945): 11.
- 49 Lindsey Rogers "President Roosevelt's Press Conferences," Political Quarterly IX, (July-Sept., 1938):366.
- 50 Steve Early to Judge Samuel Rosenman, December 1, 1937, Early File #16, Rosenman Folder, FDRL.
- 51 Roosevelt, Complete Press Conferences, Press Conference 202, May 8, 1935, Vol. 5:214-215.



- 52 Steve Early to Ruby Black, June 6, 1935, OF36, Press, Box 1, FDRL.
- 53 Ibid.
- 54 Steve Early Memo to Charles Michelson, May 31, 1935, OF36, Press, Box 1, FDRL.
- 55 Steve Early Memo + Enclosure to all Members of the Cabinet, June 1, 1935, OF36, Press, Box 1, FDRL.
- 56 Raymond P. Brandt, "The President's Press Conference," Survey Graphic 28 (July, 1939):447. James MacGregor Burns, Roosevelt, The Lion and the Fox, 1882-1940 (New York: Harcourt, Brace and Co., 1956), p. 223.
- n.s., Literary Digest 119 (June 29, 1935): 7.
- 57 Roosevelt, Complete Press Conferences, Press Conference 115, April 25, 1934, Vol. 3:296.
- 58 Ibid., Press Conference 21, May 16, 1933, Vol. 1:264.
- 59 Ibid., Press Conference 109, March 27, 1934, Vol. 3:262.
- 60 Ibid., Press Conference 36, July 26, 1933, Vol. 2:92.
- 61 Ibid., Press Conference 71, November 22, 1933, Vol. 2:474.
- 62 Ibid., Press Conference 149, October 10, 1934, Vol. 4:113. Refers to the President telling Rudolph de Zappe, "Well I came across."
- 63 For a similar analogy, see Frank Freidel, FDR: Launching The New Deal, 279.
- 64 Rosten, Washington Correspondents, p. 58.  
Roosevelt, Complete Press Conferences, Press Conference 210, May 3, 1935, Vol. 5:262.
- 65 Arthur Krock's Speech to the National Republican Club, New York City, January 26, 1935, Krock Collection, Princeton University.
- 66 James Martel, "Washington Press Conferences," American Mercury 143 (February, 1938):204.
- 67 Roosevelt, Complete Press Conferences, Press Conference 76, December 8, 1933, Vol. 2:526.  
For more on Franklin Roosevelt's humor, see M.S. Jenkataramani, The Sunny Side of F.D.R. (Ohio University Press, 1973).
- 68 Roosevelt, Complete Press Conferences, Press Conference 74, December 2, 1933, Vol. 2:506.
- 69 Ibid., Press Conference 2, March 10, 1933, Vol. 1:18.  
This rule was waived in June, 1935 for the afternoon meetings to allow the p.m. reporters to be excused immediately following the President's statements so that the story could be in the final edition.
- 70 Rosten, Washington Correspondents, p. 58.
- 71 Thomas A. Bailey, A Diplomatic History of Amer. People (NY: Appleton. Century Crofts, Inc. 1946) p. 549.
- 72 Roosevelt, Complete Press Conferences, Press Conference 60, October 13, 1933, Vol. 2:342.
- 73 William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal, 1932-1940 (New York: Harper and Row, 1963), p. 207-208.



- 74 Bailey, A Diplomatic History, p. 737.
- 75 Burns, Roosevelt, The Lion and The Fox, p. 253.
- 76 Cornwell, Presidential Leadership of Public Opinion, p. 157.
- 77 Roosevelt, Complete Press Conferences, Press Conference 93, January 31, 1934, Vol. 3:118.
- 78 Arthur Krock also mentions this. See Krock Speech to the National Republican Club, New York City, January 26, 1935, Krock Collection, Princeton University.
- 79 Roosevelt, Complete Press Conferences, Press Conference 210, June 4, 1935, Vol. 5:339.
- 80 Roosevelt's remarks needed the journalist's understanding not only of the Schichter case but also on Constitutional history and law, Raymond P. Brandt, "The President's Press Conferences," Survey Graphic 28 (July, 1939):447.
- 81 Even Arthur M. Schlesinger, Jr. The Age of Roosevelt, Politics of Upheaval, Vol. 3 (New York: Houghton Mifflin Co., 1960) pp. 285-6., interprets the statement literally and notes its placement earlier in the conference rather than toward the end:  
"The decision, Roosevelt said, denied the economic interdependence of the nation; it turned back the Constitution, he suddenly said, to "the horse and buggy days," when the economy was, in its essence, local and most people were self-supporting within their own communities. ...  
"He then examined the "implication of this decision ..."
- 82 Press Conference 209, May 31, 1935, Vol. 5:336.
- 83 Ibid., P. C. 34 (July 14, 1933), Vol. 2:65.
- 84 Roosevelt, Complete Press Conferences, Press Conference 1, March 8, 1933, Vol. 1:3.
- 85 Ibid., Press Conference 86, January 10, 1934, Vol. 3:48.
- 86 Ibid., Press Conference 65, November 1, 1933, Vol. 2:393.
- 87 Steve Early to Bryon Price, Associated Press, June 3, 1935, OF36, Press, 1935, FDRL.  
Steve Early to Theodore C. Wallen, March 23, 1933, OF36, Press, 1933, Box 1, FDRL.  
Theodore C. Wallen to Steve Early, March 22, 1933, OF36, Press, 1933, Box 1, FDRL. Re: Press Conference 1 (March 5, 1933), Vol 1:12.
- 88 Merriman Smith, Thank You, Mr. President. A White House Notebook (New York: Harper and Row, 1946), p. 16.  
"Washington News and Comment," The Library Digest (June 29, 1935):7.
- 89 Press Conference 1, March 8, 1933, Vol. 1:2.
- 90 Press Conference 15, April 26, 1933, Vol. 1:191.
- 91 Press Conference 18, May 5, 1933, Vol. 1:224.
- 92 Press Conference 80, December 22, 1933, Vol. 2:566.  
Press Conference 45, August 18, 1933, Vol. 2:200.
- 93 Press Conference 21, May 16, 1933, Vol. 1:266.



- Press Conference 29, June 14, 1933, Vol. 1:391.
- Press Conference 67, November 9, 1933, Vol. 1:432.
- 94 Press Conference 62, October 20, 1933, Vol. 1:362.
- 95 Press Conference 213, June 14, 1935, Vol. 5:375.
- 96 Press Conference 226, August 2, 1935, Vol. 6:76.
- 97 Press Conference 234, August 30, 1935, Vol. 6:122.
- 98 Press Conference 301, June 16, 1936, Vol. 7:285.
- 99 Press Conference 291, May 1, 1936, Vol. 7:230.
- 100 Press Conference 19, May 10, 1933, Vol. 1:248.
- 101 Roosevelt, Complete Press Conferences, Press Conference 2, March 10, 1933, Vol. 1:29-31.
- 102 Ibid., Press Conference 4, March 17, 1933, Vol. 1:51.
- 103 Ibid., Press Conference 4, March 17, 1933, Vol. 1:57.
- 104 Early Memo for the Press, January 5, 1936, OF36, 1936, Box 2, FDRL.
- 105 Rosten, Washington Correspondents, p. 99.
- 106 Elmer E. Cornwell, Jr., "The Presidential Press Conference, A Study in Institutional Use for the President," Midwest Journal of Political Science IV (Nov., 1960):37.
- 107 Rosten, p. 51.
- 108 Drew Pearson to Steve Early, January 7, 1936, OF36, 1936, Box 2, FDRL.  
Early to Phelps Adams, January 7, 1936, OF36, 1936, Box 1, FDRL.
- 109 Early to James E. Edmonds, December 27, 1934, OF36, Press, 1934, Box 1.
- 110 Roosevelt, Complete Press Conferences, Press Conference 260-A, December 27, 1935, Vol. 6:362.
- 111 Early to Phelps Adams, January 7, 1936, OF36, 1936, Box 1, FDRL.
- 112 Rosten, Washington Correspondents, p. 101.
- 113 Drew Pearson to Early, January 7, 1936, OF36, 1936, Box 2, FDRL.
- 114 Rosten, Washington Correspondents, p. 101.
- See also James Martel, "Washington Press Conferences," American Mercury 43 (February, 1938):205.
- 115 Ibid., Press Conference 331, December 22, 1936, Vol. 8:185-188.
- 116 Ibid.
- 117 Raymond Clapper's Reference File, #110, Censorship, February 11, 1936.  
Also the Clapper news article in this file, "Between You and Me."
- 118 Roosevelt, Complete Press Conferences, Press Conference 210, June 4, 1935, Vol. 5:350.
- 119 Ibid., Press Conference 264, January 7, 1936, Vol. 7:55.
- 120 Ibid., Press Conference 300, June 2, 1936, Vol. 7:280-281.
- 121 Ibid., Press Conference 163, December 7, 1934, Vol. 4:264.



- 122 Burns, Roosevelt, The Lion and the Fox, 1882-1940, p. 189, f.n. p. 510 refers to the Minutes of the Executive Council, December 11, 1934. Actually, National Ex. Council was abolished when Nat'l Emergency Council was est. by Ex. Order, 10-29-1933.
- See exact transcript Lester G. Seligman and Elmer E. Cornwell, Jr. ed., The New Deal Mosaic: Proceeding's of the National Emergency Council (Eugene: University of Oregon Press, 1964), p 378-9.
- 123 See Press Conference 272, February 4, 1936, Vol. 7:110.
- 124 Roosevelt, Complete Press Conferences, Press Conference 296, May 19, 1936, Vol. 7:261.
- 125 Ibid., Press Conference 298, May 26, 1936, Vol. 7:272.
- 126 Ibid., Press Conference 198, April 24, 1935, Vol. 5:243.
- 127 Ibid., also P.C. 26, June 2, 1933, Vol. 1:342.
- Ibid., Press Conference 277, February 21, 1936, Vol. 7:145.
- 128 Raymond Clapper column, "Between You and Me," Clapper Reference File #110, Censorship, 1934-1936, LofC. (Washington Post clipping.)
- 129 Roosevelt, Complete Press Conferences, Press Conference 184, February 15, 1935, Vol. 5:112.
- 130 Press Conference 298, April 17, 1936, Vol. 7:218.
- 131 Roosevelt, Complete Press Conferences, Press Conference 1, March 8, 1933, Vol. 1:15.
- 132 Ibid., Press Conference 84, January 3, 1934, Vol. 3:6.
- 133 Ibid., Press Conference 142, September 7, 1934, Vol. 4:54-55.
- 134 Ibid., Press Conference 161, November 28, 1934, Vol. 4:245.
- 135 Ibid., Press Conference 13, April 19, 1933, Vol. 1:159.
- 136 Ibid., Press Conference 260-A, December 27, 1935, Vol. 6:364.
- 137 Ibid., Press Conference 13, April 19, 1933, Vol. 1:153.
- 138 Ibid., Press Conference 260-A, December 27, 1935, Vol. 6:364.
- 139 Ibid., Press Conference 160, November 23, 1934, Vol. 4:323.
- 140 See page 5 and footnote 24.
- Steve Early to Alfred Dashiell, August 24, 1934, OF36, Press, 1934, FDRL.
- 141 Roosevelt, Public Papers and Addresses, Vol. 2, p. 39.
- 142 Roosevelt, Complete Press Conferences, Press Conference 16, April 28, 1933, Vol. 1:196.
- 143 John Herrick, "With Reporters at the Summer White House," Literary Digest 116 (August 12, 1933):29.
- 144 Numbers of press conferences by year and total pages of transcripts:  
 1933: 82 Press Conferences, 825 pages  
 1934: 86 Press Conferences, 745 pages  
 1935: 91 Press Conferences, 767 pages  
 1936: 70 Press Conferences, 520 pages  
 NOTE 1936 was an election year.
- 145 Jawboning, slang for challenging or embarrassing or urging to comply. In



the Bible, Samson took an ass jawbone and slew 1000 of his enemies.  
Judges 15:15.

- 146 Roosevelt, Complete Press Conferences, Press Conference 25, May 31, 1933  
Vol. 1:314-315.
- 147 Ibid., Press Conference 19, May 10, 1933, Vol. 1:240-242.
- 148 Ibid., Press Conference 25, May 31, 1933, Vol. 1:314-315.
- 149 Roosevelt, The Public Papers and Addresses, p. 40.
- 150 Roosevelt, Complete Press Conferences, Vol. 1:314-315.
- 151 Ibid., Vol. 1:322.
- 152 Ibid.
- 153 Ibid., Press Conference 81, December 27, 1933, Vol. 2:579.  
John Boettiger, who at that time was a Wash. Correspondent for the Chicago Tribune, later married the President's daughter Anne.
- 154 Ibid., Press Conference 82, December 29, 1933, Vol. 2:592.
- 155 Ibid., Press Conference 141, September 5, 1934, Vol. 4:48.
- 156 Ibid., Press Conference 244, October 30, 1935, Vol. 6:223-224.
- 157 Ibid., Press Conference 198, April 24, 1935, Vol. 5:226.
- 158 Ibid., Press Conference 222, July 19, 1935, Vol. 6:46.
- 159 Ibid., Press Conference 209, May 31, 1935, Vol. 5:332.
- 160 Ibid., Press Conference 243, October 25, 1935, Vol. 6:217.
- 161 Ibid., Press Conference 244, October 30, 1935, Vol. 6:231.
- 162 Ibid., Press Conference 220, July 12, 1935, Vol. 6:26.
- 163 Ibid., Press Conference 224, July 26, 1935, Vol. 6:60.
- 164 Ibid., Press Conference 260-A, December 27, 1935, Vol. 6:369.
- 165 George Wolfskill, John A. Hudson, All But The People, Franklin D. Roosevelt and His Critics (New York: MacMillan and Co., 1969), Chapter VII and p. 179.
- 166 Frank Luther Mott, "Newspapers in Presidential Campaigns," Public Opinion Quarterly 8 (Fall, 1944): 362.  
Publisher support of Alfred Landon was so aggressive that Roosevelt was even accused of being nominated by a Communist element. See Wolfskill and Hudson Chapter VII, "All the News That's Fact to Print," in All But the People.
- 167 Rosten, Washington Correspondents, pp. 54-56.
- 168 Roosevelt, Complete Press Conferences, Press Conference 156, November 7, 1934, Vol. 4:166-171.
- 169 Roosevelt, Complete Press Conferences, Press Conference 275-A, February 14, 1936, Vol. 7:131.
- 170 Burns, Roosevelt, The Lion and the Fox, f.n. 491.
- 171 Raymond Clapper, "Why Reporters Like Roosevelt," Review of Reviews 89 (June, 1934):17.

Clapper compared admiration for Roosevelt to admiration for Man of War, Babe Ruth or a skillful surgeon — a man who knew how to do his skill well.  
Clapper said Roosevelt had great political craftsmanship and journalists knew it.



- 172 Rosten, Washington Correspondents, pp. 50-51.
- 173 Roosevelt, Complete Press Conferences, Press Conference 274, February 11, 1936, Vol. 7:121.
- 174 See f.n. #144, transcripts, and Bascom N. Timmons, "This is How It Used To Be," Cabell Phillips, et al., Dateline, Washington (Garden City, New York, Doubleday & Co., 1949) :53-54. Timmons gives the peak news producing periods beginning with the Roosevelt administration and the New Deal period and the most valuable being the first three years of Roosevelt's first term.
- 175 Franklin Roosevelt knew he had great skill with determining the news. He wrote Felix Frankfurter in 1942 that he was "think of resigning this job and taking on a job of Public Relations man for the Government." M.S. Jenkataramani, The Sunny Side of FDR refers to Roosevelt's letter to Frankfurter, May 1, 1942 found in Max Freedman's Roosevelt and Frankfurter: Their Correspondence, 1928-1945 (Boston, 1967), p. 658.



THE WHITE HOUSE  
WASHINGTON

June 1, 1977

*10:15 am*  
*8k Bd*  
MEETING WITH REP. FERNAND ST GERMAIN (D-RI)  
Thursday, June 2, 1977  
The Oval Office  
11:45 a.m. (10 minutes)

From: Frank Moore *FM*

I. PURPOSE

To meet with Rep. St Germain concerning H.R. 2777, the Consumer Cooperative Bank Bill.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Rep. St Germain attended the May 19th Regional Meeting and expressed concern about conflicting reports of the Administration's position on the Consumer Cooperative Bank Bill. He thought the President supported the bill, but has learned that Treasury is opposed to it. The President, in response to St Germain's statement, invited the Congressman to discuss the matter with him. This legislation is Rep. St Germain's pet project; he is more concerned about this bill than any other pending legislation. Rep. St Germain was elected in 1960, and received 62.4% of the vote in 1976. He is Chairman of the Financial Institutions Supervision, Regulation and Insurance Subcommittee (Banking, Finance and Urban Affairs); #7 on Government Operations; #6 on Small Business. His district (RI-1) includes one-third of Providence, Brown University, Pawtucket, Newport and some small textile mill towns. Rep. St Germain is of French Canadian descent.

Participants: The President, Rep. St Germain, Frank Moore, Bill Cable.

Press Plan: White House photographer only.

III. TALKING POINTS

Attached is the Consumer Cooperative Bank Bill memo from Bert Lance and Stuart Eizenstat which was submitted to you today.



NATIONAL CONSUMER COOPERATIVE BANK ACT  
FINANCIAL AND ORGANIZATIONAL ALTERNATIVES

	Alternative 1 H.R. 2777 as Reported	Alternative 2 Smaller Bank	Alternative 3 Pilot Project
<u>Treasury Pilot Project</u>	---	---	\$20 M 2 years
<u>National Consumer Cooperative Bank</u>			
. Federal Equity Investment Authorization	\$500 M 5 years (\$100 M in 1978)	\$250 M 5 years (\$50 M Annually)	---
. Maximum Debt/Equity Ratio	10:1	10:1	---
. Authorization for Federal Government Purchase of Bank's Debt	Yes	---	---
. Authority to Issue Loan Guarantees	Yes	---	---
<u>Development Fund/Technical Assistance</u>			
. Self-Help Development Fund Authorizations	\$250 M (\$10 M in 1978)	\$25 M (\$5 M Annually)	---
. Fund Administration and Technical Assistance	New Office in ACTION	Negotiable	Administered by Treasury
<u>Maximum Federal Outlays</u>			
. Assumes Federal purchase of authorized debt and no dividends	\$5,800 M	\$300 M	\$20 M

Electrostatic Copy Made  
for Preservation Purposes



— Mc Intyre - ?  
— Brooke  
— Proxmire  
— Nader  
— Common Cause  
— Vernon Jordan  
— Kathleen O'Reilly  
— Bayh  
— Craighton ?  
—

Electrostatic Copy Made  
for Preservation Purposes



They are also concerned about the effects of another change in an Administration position on those Congressmen who supported the Administration's current position. In this regard, it might be noted that the Administration proposal lost in Committee by a vote of 17-23. It would be advisable to await a clearer picture of the bill's prospects in the Senate before we alter our position (e.g., many small businesses who will feel threatened by the coops will oppose the bill).

#### Recommendations

#### Decision

Alternative 1. \$100 million annual equity investment  
Maximum 5 year budget impact: \$5.8 B  
Favored by: Labor, Agriculture, HUD,  
Special Assistant to the President for  
Consumer Affairs, ACTION

\_\_\_\_\_

Alternative 2. \$50 million annual equity investment  
Maximum 5 year budget impact: \$300 M  
Favored by: HEW, Domestic Council

\_\_\_\_\_

Alternative 3. \$20 million pilot  
Maximum Federal exposure: \$20 M  
Favored by: Treasury, CEA, SBA,  
Commerce, OMB

\_\_\_\_\_





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BERT LANCE  
STU EIZENSTAT *Stu*

SUBJECT:

"National Consumer Cooperative  
Bank Act" Legislation

The Committee on Banking, Finance and Urban Affairs has favorably reported an amended "National Consumer Cooperative Bank Act" (H.R. 2777). This was one of the five major legislative items proposed to you by the major consumer groups and is supported by labor. You decided not to support this legislation until a study of the proposal was completed. Several agencies have requested that you reconsider this decision in light of recent congressional action.

Committee Bill. H.R. 2777 would establish a "National Consumer Cooperative Bank" which would make direct loans to or guarantee loans made to consumer cooperatives (including housing and consumer goods coops) at market rates. The Bank would receive \$500 million of Federal equity funding over five years with \$100 million authorized in 1978 and could also raise capital from members. It could issue debt (not to exceed 10 times its equity capital) which could be purchased by the Secretary of the Treasury or private interests. The Bank would be required to buy out the Federal interest beginning in 1990 and to pay dividends on Federal stock, if the Bank were profitable. It would be governed by a 13 member board originally controlled by Presidential appointees, but shifting to control by other stockholders as the Federal equity interest declines.

Authorization of \$250 million is provided for a Self-Help Development Fund (\$10 million in 1978) which would be administered in a newly created Office of Consumer Cooperatives in ACTION. The Fund could make capital investment in, or provide interest subsidies to, high risk, low income cooperatives. The Office would also provide technical assistance (financial analyses, market surveys, management training, etc.) financed by Federal appropriations.

The bill was reported by a vote of 28-11 with four Democrats voting with the minority. Subcommittee Chairman St. Germain, who wrote to you on April 27, 1977, expressing his disappointment with the Administration's opposition to the establishment of a Bank, considers this legislation to be his highest priority.



Current Administration Position. Based on your earlier decision to study this issue, the Administration (Treasury) testified in opposition to the establishment of a Bank and Assistance Administration at this time. Treasury proposed legislation that would authorize a two-year, \$20 million pilot project in an existing agency in conjunction with the study you requested.

The testimony indicated that before the Administration could support H.R. 2777, more evidence concerning the need for and cost effectiveness of the new agencies was needed. In particular, much remained "to be learned about (1) the specific unsatisfied financial and nonfinancial needs of cooperatives which the Government should address, (2) the type of assistance which cooperatives most require, (3) the existing government programs which might be expanded or better coordinated to help cooperatives and (4) whether an existing government entity, rather than a new one, is best suited to handle cooperative issues."

Smaller Bank Alternative. This alternative envisions a smaller Bank with a Federal equity investment of \$50 million annually over 5 years, no Federal debt purchases, and limited private sector debt sales.

Alternatives (see Table for comparison)

1. Support H.R. 2777 as reported.
2. Support establishment of a smaller Bank.
3. Maintain current position, support of a pilot project.

Proponents of H.R. 2777 believe coops assist in the achievement of the goals of national economic efficiency, increased competition, redevelopment of depressed regions of the country, and the reaching of desirable social (ownership dispersion) objectives. In their view, the intent of the bill--to enable consumer groups to obtain credit and technical assistance from a dependable source for self-help efforts--is consistent with these goals. They maintain that consumer cooperatives (with an emphasis upon health, legal, housing, and repair cooperatives, as well as consumer goods) are currently unable to obtain adequate credit from existing financial institutions regardless of whether the coop is well established or fledgling, and they often lack the technical expertise needed to launch successful enterprise. Thus, they argue, Federal assistance is needed.

H.R. 2777 proponents believe that the concept of a consumer cooperative bank has worked exceptionally well in the farm credit and rural electrification systems by providing a source of credit designed to meet specialized needs. They assert that the ultimate result of such an activity is to redevelop urban areas by providing a "community" identification and spirit through economic activity. By achieving economies and providing services, benefits flow back to the community where most needed. Finally, they point out that if the bank prospers, most of the Federal funds will be repaid, perhaps with dividends.



In addition to strong consumer and labor support, the original bill was sponsored by 35 Senators and 100 Congressmen. Further, proponents assert that Senators Proxmire and McIntyre are pleased with the actions in the House and want their respective Committee and Subcommittee to give the bill the earliest favorable consideration.

Proponents of the smaller bank recommend that we negotiate to obtain the smallest possible Bank with adequate Federal capitalization to attract private capital: this is estimated to require an annual outlay of about \$50 million. The negotiation would result in (1) a reduction in the total appropriation, and (2) a stretchout of the period of capitalization, which would reduce by \$250 million outlays in the period through FY 1981.

Proponents of the smaller bank believe:

(1) Opposition to the bank is based on the inadequacy of data on (a) the real credit needs of cooperatives, and (b) the degree to which those needs have not been met because of discrimination by banks. It is inherently difficult to quantify the degree to which creditworthy loan applicants are unable to obtain assistance. Proponents of the smaller bank believe, nonetheless, that two years of congressional hearings have suggested that there is evidence of some discrimination, although its magnitude cannot be quantified. In addition, the financing of urban coops has been impeded by (a) a reduction in inner city lending by banks, and (b) lenders' fears of extending credit to not-for-profit associations without a proven record. The Bank would assure these Coops access to credit, but at competitive market rates. Coops could provide a new source of goods in urban areas that have been "redlined" by retail business.

(2) The Domestic Council believes Senate passage is more likely than not, and would negotiate now to gain some political credit for the bill's passage.

Proponents of the current Administration positions maintain that there is insufficient evidence available on the claimed inability of cooperatives to obtain credit from existing financial institutions to justify the establishment of a new Government sponsored Bank and the expenditure of substantial Federal funds (over \$5 billion of Federal funds could be outlayed over 5 years). They want to make sure aid to cooperatives is consistent with existing Federal programs under which cooperatives and their small business competitors can already receive assistance. They note that caution is desirable since H.R. 2777 would reduce credit in other market sectors at a time when expansion should be encouraged.

Proponents have reservations about the capability of consumer cooperatives, ACTION, and the new Bank to use effectively this large infusion of funds. A two year pilot project and your requested study could resolve many of these issues while providing invaluable information with which to design effectively any needed Federal assistance to cooperatives including perhaps a future consumer cooperative bank.



THE WHITE HOUSE

WASHINGTON

June 1, 1977

MEETING WITH REP. FERNAND ST GERMAIN (D-RI)

Thursday, June 2, 1977

The Oval Office

11:45 a.m. (10 minutes)

From: Frank Moore *JM*

I. PURPOSE

To meet with Rep. St Germain concerning H.R. 2777, the Consumer Cooperative Bank Bill.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Rep. St Germain attended the May 19th Regional Meeting and expressed concern about conflicting reports of the Administration's position on the Consumer Cooperative Bank Bill. He thought the President supported the bill, but has learned that Treasury is opposed to it. The President, in response to St Germain's statement, invited the Congressman to discuss the matter with him. This legislation is Rep. St Germain's pet project; he is more concerned about this bill than any other pending legislation. Rep. St Germain was elected in 1960, and received 62.4% of the vote in 1976. He is Chairman of the Financial Institutions Supervision, Regulation and Insurance Subcommittee (Banking, Finance and Urban Affairs); #7 on Government Operations; #6 on Small Business. His district (RI-1) includes one-third of Providence, Brown University, Pawtucket, Newport and some small textile mill towns. Rep. St Germain is of French Canadian descent.

Participants: The President, Rep. St Germain, Frank Moore, Bill Cable.

Press Plan: White House photographer only.

III. TALKING POINTS

Attached is the Consumer Cooperative Bank Bill memo from Bert Lance and Stuart Eizenstat which was submitted to you today.



THE WHITE HOUSE

WASHINGTON

May 31, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: BERT LANCE  
STU EIZENSTAT

SUBJECT: "National Consumer Bank Act" - H.R. 2777

The House Banking Committee has favorably reported, and the full House is expected to approve Congressman St. Germain's bill to establish a national consumer cooperative bank (H.R. 2777). The bank would provide credit assistance to consumer cooperatives, which purportedly have difficulty obtaining conventional financing.

The coop bank was one of five key legislative initiatives proposed to you by consumer groups; at that time, you deferred a decision pending review.

The Bill

The bank would make or guarantee market rate loans to consumer cooperatives, including housing and consumer goods coops. The initial capitalization would be provided by a \$500 million Treasury subscription over four years, with \$110 million authorized for FY 1978. In addition to Treasury's seed capital, the bank could also borrow in the open market, issuing obligations up to 10 times its equity capital.

The bank would pay Treasury an annual dividend on outstanding principal until 1990, when it would begin redeeming the principal, assuming the bank is profitable. It would originally be governed by a 13-member Presidentially-appointed board, but upon repayment of Treasury seed capital, control of the bank would shift to the owner-user cooperatives.

To attract Administration support, this month Congressman St. Germain modified his original bill in the following respects: a) reduced total FY 1978 outlays from \$500 million (original bill) to \$110 million; b) reduced funding for a separate soft-loan window subsidizing high risk, low income cooperatives from \$250 million to \$10 million in FY'78; c) added a requirement that loans be made at market (not submarket) interest rates; and d) reduced the debt/equity ratio from 20/1 to 10/1.



Despite Administration opposition, the amended version of H.R. 2777 passed the House Banking Committee by 28-11; favorable floor action next week is likely. We cannot clearly assess the Senate outlook, but Senators Proxmire and McIntyre have already spoken on behalf of the bill and want their respective Committee and Subcommittee to give the bill the earliest favorable consideration.

In addition to strong consumer and some labor support, the original bill was sponsored by 35 Senators and 100 Congressmen. Congressman St. Germain wrote to you on April 27, 1977 expressing his disappointment with the Administration's opposition to the establishment of a bank.

#### Current Administration Position

Based on your earlier decision to study this issue, the Administration (Treasury) testified against the establishment of a bank at this time. Treasury indicated that the Administration was concerned by the paucity of data as to coop credit needs, and proposed a two-year, \$20 million pilot project in conjunction with the study you requested.

Administration supporters of the bank have requested that you reconsider this position in light of recent Congressional action and prospects.

#### Options:

- 1) Support H.R. 2777 as reported
- 2) Support establishment of a smaller bank
- 3) Maintain current position, support pilot project

#### Option One

Proponents of H.R. 2777 contend that cooperatives have been successful in rural areas in gaining acceptance (50 million user-owners), increasing competition, redeveloping depressed regions, broadening ownership, and stimulating local economies. Their emergence in urban areas has allegedly been impeded by a) a reduction in inner city lending by existing financial institutions, and b) lenders' particular fears of extending credit to not-for-profit associations without a proven record. Proponents argue that anti-urban lending trends and the outflow of urban retail business create a need for a new source of both credit and goods in urban areas. Since the bank would have its greatest impact in urban areas, its proponents view it as an urban economic development initiative which would reflect the Administration's commitment a) to support local self-help efforts and b) to stabilize the economic base of the older cities.

Beyond the urban impact, the bank's advocates maintain that consumer coops (with an emphasis upon health, legal, housing and repair



cooperatives, as well as consumer goods) are unable to obtain adequate credit regardless of whether the coop is well-established or fledgling, and that coops often lack the technical skills needed to launch a successful enterprise. Thus, they argue, federal credit and technical assistance is justified. They point to the success of the consumer cooperative bank concept in the farm credit and rural electrification systems. They assert that the ultimate result of this bill will be to redevelop urban areas by providing a "community" identification through economic activity, and by assuring that benefits flow back to the local community.

Option One is supported by Labor, Agriculture, HUD, the Special Assistant to the President for Consumer Affairs, and ACTION.

#### Option Two

The second option is to attempt to negotiate: 1) a reduction in the total appropriation, and 2) a stretchout of the period of capitalization, which would reduce outlays in the period through FY'81. The objective would be to agree upon the smallest possible bank with adequate federal capitalization to attract private capital: this would require an annual outlay of about \$50 million, compared to the \$110 million in the present bill. Our support for the bank would be contingent upon successfully negotiating down its cost. But proponents of the smaller bank believe that an annual capitalization of \$50 million is necessary if the financial markets are to have confidence in the stability of the bank, which is necessary if the bank is to repay the seed capital provided by the federal government.

Proponents of the smaller bank make the following arguments:

1) Opposition to the bank is based on the inadequacy of data on a) the real credit needs of cooperatives, and b) the degree to which those needs have not been met because of discrimination by existing financial institutions. In fact, it is inherently difficult to quantify the degree to which creditworthy loan applicants are unable to obtain assistance. Proponents of the smaller bank believe, nonetheless, that two years of Congressional hearings have suggested that there is evidence of some discrimination, although its magnitude cannot be quantified.

2) A small bank would be a relatively low-cost vehicle for stimulating private capital reinvestment in urban areas; this is a central objective of our urban policy and perhaps the strongest argument for the bank.

3) This is Congressman St. Germain's pet project, House passage is quite probable, and Ralph Nader calls it one of the three most important pieces of consumer legislation in the past generation (perhaps a slight hyperbole).

4) If the Senate is going to act favorably, a negotiated settlement would be preferable to a veto (Treasury, OMB and the



Domestic Council concur on this point). Treasury and OMB regard Senate prospects as unclear and would defer a decision to negotiate; the Domestic Council believes Senate passage is more likely than not, and that the Administration should share some of the credit.

5) The Administration's two-year \$20 million pilot is not regarded as a compromise by the bill's supporters since it defers favorable consideration of a real bank for at least two years. Administration opponents of the bank regard the pilot as a compromise.

6) In a meeting Thursday with Congressman St. Germain you indicated support for the concept of the coop bank. We can state that the Administration's support for a pilot project meets that commitment, but supporters of the bill will not appreciate that interpretation of your support.

Proponents of a smaller bank believe there is one disadvantage to negotiating now: it requires the reversal of Treasury's public position. Treasury has been singled out for unfair attack by the bank's supporters, who have never accepted the fact that Treasury's has been the Administration's position on this issue.

### Option Three

Proponents of the current Administration position maintain:

1) There is insufficient evidence available on the claimed inability of cooperatives to obtain credit from existing financial institutions to justify the establishment of a new government sponsored bank and the expenditure of substantial federal funds. Treasury testified that much remained "to be learned about 1) the specific unsatisfied financial and nonfinancial needs of cooperatives which the government should address, 2) the type of assistance which cooperatives most require, 3) the existing government programs which might be expanded or better coordinated to help cooperatives, and 4) whether an existing government entity, rather than a new one, is best suited to handle cooperative issues." A pilot project would help answer these questions. The banks' proponents claim these questions have been adequately reviewed over two years of Congressional hearings.

2) The House Committee Report on the bill cites the importance of "mom and pop" stores, and states that coops should not be funded in communities "adequately served" by existing local stores. Nonetheless, many small businessmen would oppose the bill because it will increase competition at their expense.

3) Supporters of the present position want to assure that aid to cooperatives is consistent with existing federal programs under which cooperatives and their small business competitors can already receive assistance.



4) Caution is desirable since H.R. 2777 would reduce credit in other market sectors at a time when expansion should be encouraged. There are reservations about the capability of consumer coops, ACTION and the new bank to use effectively this large infusion of funds. A pilot project could resolve many of these issues while providing invaluable information with which to effectively design any needed federal assistance to coops including perhaps a future consumer cooperative bank.

5) There is concern over the effects of another change in an Administration position on those Congressmen who supported the Administration's current position. It may be advisable to await a clearer picture of the bill's prospects in the Senate before we alter our position.

Option Three is supported by Treasury, CEA, SBA, Commerce and OMB.

DECISION

\_\_\_\_\_ Approve Option One

\_\_\_\_\_ Approve Option Two

\_\_\_\_\_ Approve Option Three



---

THE WHITE HOUSE  
WASHINGTON

June 2, 1977

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson

The attached is forwarded to you  
for your information.

Rick Hutcheson

Re: Meeting with White House  
Reporters.



THE WHITE HOUSE  
WASHINGTON

June 1, 1977

MEMORANDUM

TO : The President  
FROM: Jody Powell *JP*

To fulfill your wish to meet informally with reporters covering the White House, I suggest we invite them in groups of 10 or so to talk with you around the White House swimming pool. These meetings could be arranged on the day they are to occur, and they could be held in late afternoon. They would be quasi-social, with the conversation totally off the record (although we could expect almost anything you said to come out sooner or later).

The pool would provide a relaxed setting away from "official" surroundings, yet convenient to you. You could leave after a half hour and any reporters who wished could remain to swim for a short time. If we did not wish to tie up the pool past 30 minutes or so, we could not invite them to swim but just use the pool as a setting.

We could accommodate the requisite 50 or 60 reporters during the three-month summer swimming season. The onset of fall would automatically end the arrangement and keep it from becoming a regular event.

I believe this arrangement has several advantages over luncheons or breakfast sessions. It is less formal, less expensive and less time-consuming for you. It also lends itself to bringing in key staff or other administration officials to continue the discussions after you have left.

\_\_\_\_\_ Approve  
\_\_\_\_\_ Disapprove  
\_\_\_\_\_ Let's talk



MEMORANDUM

~~THE PRESIDENT HAS BEEN~~

THE WHITE HOUSE

WASHINGTON

June 2, 1977

**Electrostatic Copy Made  
for Preservation Purposes**

TO: Tim Kraft

FROM: Fran

RE: Marine Barracks - Parade Review - June 3

Last week, the President indicated "probably not" on a schedule proposal to attend with Amy the Marine Parade Review, 9:00 p.m. Friday, June 3.

This is a very colorful parade review which occurs every Friday night during the summer at the Marine Barracks - 8th & Eye St. S.E. (duration: 50 minutes)

The Marine Commandant is especially anxious for the President to come this particular Friday in that the Commandant's House is going to be designated as a national historic cite by Secretary Andrus earlier in the evening. Commandant Wilson, the Andruses and hopefully the President would review the Parade together and it would be a good morale boost for the Marines. I recommend he take Amy because I think she would enjoy it - and I think the President would too.

\_\_\_\_\_ approve

✓  
\_\_\_\_\_ disapprove  
J



THE WHITE HOUSE  
WASHINGTON

June 2, 1977

Bob Lipshutz -

For your information the attached memorandum to Chairman Campbell was signed by the President and given to Bob Linder for appropriate handling.

Rick Hutcheson

Re: Policy on Official Appearances  
in Nondiscriminatory Facilities

5/31

X



THE WHITE HOUSE  
WASHINGTON

ACTION		
FYI		
	MONDALE	ENROLLED BILL
	COSTANZA	AGENCY REPORT
	EIZENSTAT	CAB DECISION
	JORDAN	EXECUTIVE ORDER
<input checked="" type="checkbox"/>	LIPSHUTZ	Comments due to
	MOORE	Carp/Huron within
	POWELL	48 hours; due to
	WATSON	Staff Secretary
		next day

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON		KRAFT
	BOURNE		LANCE
	BRZEZINSKI		LINDER
	BUTLER		MITCHELL
	CARP		POSTON
	H. CARTER		PRESS
	CLOUGH		B. RAINWATER
	FALLOWS		SCHLESINGER
	FIRST LADY		SCHNEIDERS
	GAMMILL		SCHULTZE
	HARDEN		SIEGEL
	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE



86/2/11

THE WHITE HOUSE

WASHINGTON

May 24, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ *RL*

SUBJECT:

Policy on Official Appearances in  
Nondiscriminatory Facilities

A number of organizations led by the Consumer Federation of America have joined in a letter to Cabinet heads asking that Federal officials, as a matter of policy, appear before private organizations or meetings only in facilities that do not discriminate on the basis of race, sex, religion, or national origin.

The current provision of the Federal Personnel Manual that addresses this topic mentions only racial discrimination.

Attached for your signature is a letter to the Chairman of the Civil Service Commission asking that he take action to amend this provision to cover discrimination based on sex, religion, or national origin as well as race.

We recommend that you sign and transmit the attached letter.

☒ Approve

☐ Disapprove



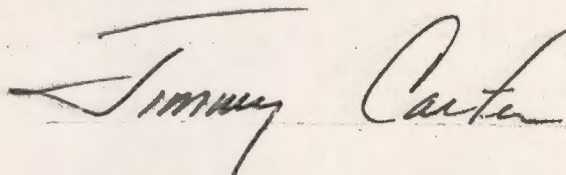
THE WHITE HOUSE  
WASHINGTON

To Chairman Campbell

It has been brought to my attention that Chapter 410, subchapter 8, paragraph 4 of the Federal Personnel Manual, entitled "Nonparticipation in Segregated Meetings or Conferences," addresses only discrimination based on race.

It is this Administration's policy that Federal officials should not participate in private conferences or meetings held in facilities which discriminate on the basis of sex, religion, or national origin, as well as race. Accordingly I request that you take whatever action is appropriate to amend the above cited provision to reflect this policy.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written in a more standard cursive. The signature is positioned above a horizontal line.

The Honorable Alan Campbell  
Chairman  
Civil Service Commission  
Washington, D.C. 20415



THE WHITE HOUSE

WASHINGTON

June 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM FALLOWS

JL

SUBJECT:

Review of your speech book

Here's an advance copy of next Sunday's New York Times Book Review, which contains Arthur Schlesinger's review of your book of speeches.

Considering the reviewer, it's a far warmer reception than I expected. Schlesinger says that he disagrees with much of your ideology but respects your style of discourse. Unlike most reviews of books by public figures, this one even suggests that people should go out and read the thing.

0

Electrostatic Copy Made  
for Preservation Purposes



THE WHITE HOUSE  
WASHINGTON

June 2, 1977

Barry Jagoda -

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

Re: Charles Blitzer and National  
Endowment for the Humanities



THE WHITE HOUSE  
WASHINGTON

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
X	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE



THE PRESIDENT HAS SEEN.

Barry  
J



SMITHSONIAN INSTITUTION

Washington, D.C. 20560  
U.S.A.

May 25, 1977

The President  
The White House

Dear Mr. President:

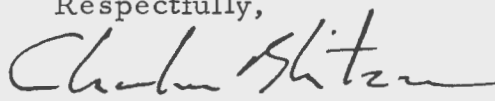
It was a great privilege for me to meet you yesterday to discuss the National Endowment for the Humanities. I hope our conversation cast some light on the complexities of the Endowment's current role and situation. To the same end, I enclose the brief paper you requested on this subject.

At the same time, I feel that I should clarify my own position with respect to the Chairmanship of the Endowment. I have not and am not seeking the job. It was a surprise for me to learn that I was being considered by the Search Committee you appointed. I was of course greatly pleased, even flattered, when that Committee decided to recommend me. I feel now, however, that the recent sequence of events has led to a curious mutation, and that, not having sought the job, I have somehow come to be perceived as a job-seeker. This is not the case. I am well and fully occupied with important work here, and I would think of moving only if I felt I could be more useful elsewhere.

The NEH needs and deserves a Chairman who will enjoy the full support of the White House. Only with such support will the Chairman be able to deal effectively with the Congress and with the Endowment's various constituencies around the country. What is most important is that the Endowment emerge from this difficult period with a Chairman who will serve you and the humanities well. I stand ready to do whatever I can to achieve that result.


Electrostatic Copy Made  
for Preservation Purposes

Respectfully,

  
Charles Blitzer



TO: President Carter

FROM: Charles Blitzer 

The humanities are concerned with the surviving record of everything that man has thought and done and created since he has been on this earth. They provide historical perspective, cultural richness, and philosophical insight. Far from being the protected preserve of a small number of scholarly specialists, the humanities lie at the very heart of our shared civilization.

In establishing the National Endowment for the Humanities in 1965, the Congress recognized that it is in the national interest that the humanities flourish, as a branch of scholarship, as a mode of education, and as a resource for all the people. At the same time, the 1965 Act recognized that the primary responsibility for support of the humanities should be borne by states, municipalities, and the private sector.

Four problems in particular seem to confront the NEH today. First, in spite of all its efforts and expenditures, there seems to be little public understanding of what the humanities are and why they matter. Second, a quite unnecessary schism has developed between those whose primary occupation is scholarship and those whose primary interest is dissemination; this has particularly embittered relations between the NEH and important members of the Congress. Third, a state of mind has developed in which the Humanities Endowment, particularly with regard to its public programs, is judged against the standard set by the Arts Endowment, and found wanting. Finally, there seems reason to believe that some members of the staff of the NEH have developed the feeling that they are the masters and not the servants of the public, and that they rather than their several constituencies know best what the country needs. Each of these problems deserves some comment.

Paradoxically, I believe that the NEH's attempts to create a kind of product-identity for the humanities are at least partially responsible for its failure to gain broader public recognition and understanding. (I suspect that most people when they hear the word humanities think of cruelty to animals). I believe that more emphasis on history, literature, philosophy, languages, religion and the other components of the humanities would serve this purpose better. Furthermore, it is clear that professionals in the humanities are among the most



intelligent and articulate people in the country; they constitute a resource that must be used more effectively in bringing the message of the humanities to all people.

Despite all the talk of "elitism" and "populism," there is really no conflict of principle, and in fact not even a conflict of interest between producers of knowledge and its disseminators. The dissemination of bad research is no favor to anyone, and the dissemination of good research badly is not much better. It is absolutely essential -- and, I believe, perfectly possible -- that scholars, teachers, communicators, and lay people be brought to recognize their community of interest so that they will work fruitfully together. In the crassest terms, scholars must realize that continued, generous federal support of their research must be justified in terms of some positive consequences for the general public; similarly, the communicators must be reminded that the quality and integrity of what they do depends heavily upon the knowledge and insights of scholars.

On the specific question of state councils, which became a kind of shibboleth in the Pell-Berman confrontation last fall, there is no reason why the NEH should not work productively with these councils. One important step that should be taken immediately is to establish an effective, regular means of communication among the state councils. Just as it was argued that one of the virtues of our federal system was that the several states could serve as laboratories testing various approaches to social problems, so too the state humanities councils should be encouraged to test a wide variety of programs. But this serves very little purpose unless each state's council is aware of the successes and failures of the others'. In any event, the perfectly sensible intent of the amendment was to decentralize decision making and to encourage variety and local participation. This intent should certainly be honored, as Senator Pell has so strongly urged.

When the NEH was established in 1965, most of its advocates (among whom I was one) thought of the National Science Foundation as the most appropriate model. Through a series of historical and personal accidents, the NEH in recent years has tended to be judged by the standards of the Arts Endowment. I believe this is a false analogy, if only because the arts presuppose audiences and participation in a way the humanities do not. In the area of dissemination and public programs, the task of



the Arts Endowment is to make these audiences larger and more diverse. This is no simple task, but it seems simple in comparison with the situation of the humanities.

I have no hesitation in saying that the major intellectual, political, and even moral challenge facing the NEH in the years ahead lies in the area of dissemination and public understanding. We know pretty well how to award fellowships to individual scholars, how to support publications and how to develop the necessary tools of scholarship. These programs should be continued, perhaps with some improvement, because they are essential to the continued vitality of the humanities. But the major intellectual resources and the energies of the NEH should unquestionably be brought to bear on the areas of education and public dissemination. The first task will be to define the problem: what exactly is it that we wish to accomplish? Only when this has been answered will it be possible to devise strategies and programs to accomplish our aims.

It is my impression that the NEH over the years has tended, particularly in its public programs, to support almost any promising idea that came along. I suspect that this was caused by a lack of clarity about goals, and it has resulted in a bewildering array of small programs of almost every conceivable variety. What is in order now, in addition to greater clarity of purpose, is some rather hard evaluation of the results of these various undertakings, and sufficient conviction to give major support to what is good and promising, and nothing to what is not.

A couple of specific ideas seem worth pursuing. One of the major concerns of academic humanists is the substantial unemployment -- on the order of perhaps 8000 -- among young Ph. D.'s. Could some of these people be sent out around the country to work through libraries, museums, historical societies and other local institutions? The NEH, with limited funds at its disposal, should explore this idea with other Federal agencies, such as Labor and OE, and with private institutions.

The poor showing of the United States in the area of cultural and educational television is now something of a cliché. Given the technical and scholarly resources of our country, this surely does not need to be the case. Means must be found to bring the best talent to bear in the production of, for example, a series on the great civilizations of the



- 4 -

world. Another series devoted to the scholarly process itself, rather than simply to its results, could awaken a broad understanding and appreciation of the various disciplines of the humanities, as the Nova series has done for the sciences. The promise of the open university idea should be vigorously explored.

Finally, the staff and organization of the NEH should be carefully studied to discover whether it is doing its job as well as it might. As a sometime applicant to NEH, I would very much hope that the proliferation of forms and the imposition of petty bureaucratic requirements could be reversed. I am not persuaded that a staff member is needed for every \$500,000 the NEH grants. The quality of the staff, for both practical and symbolic reasons, should reflect the substance with which they deal.

In sum, the NEH has an important role to play and, through the generosity of successive Administrations and Congresses, it has the financial means necessary to play this role. What is needed more than anything else, I believe, is to bring together the various groups upon whose cooperation the success of the Endowment depends: scholars, communicators, state and local officials, educators at all levels, interested citizens and private associations, and the friends of the humanities in the Congress. If these individuals and groups can be brought to work together, the NEH will realize the high hopes we all had when it was established twelve years ago.

May 25, 1977



THE WHITE HOUSE  
WASHINGTON

June 2, 1977

Barry Jagoda -

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

Re: Charles Blitzler and National  
Endowment for the Humanities



THE PRESIDENT HAS SEEN.



SMITHSONIAN INSTITUTION  
*Washington, D.C. 20560*  
U.S.A.

May 25, 1977

The President  
The White House

Dear Mr. President:

It was a great privilege for me to meet you yesterday to discuss the National Endowment for the Humanities. I hope our conversation cast some light on the complexities of the Endowment's current role and situation. To the same end, I enclose the brief paper you requested on this subject.

At the same time, I feel that I should clarify my own position with respect to the Chairmanship of the Endowment. I have not and am not seeking the job. It was a surprise for me to learn that I was being considered by the Search Committee you appointed. I was of course greatly pleased, even flattered, when that Committee decided to recommend me. I feel now, however, that the recent sequence of events has led to a curious mutation, and that, not having sought the job, I have somehow come to be perceived as a job-seeker. This is not the case. I am well and fully occupied with important work here, and I would think of moving only if I felt I could be more useful elsewhere.

The NEH needs and deserves a Chairman who will enjoy the full support of the White House. Only with such support will the Chairman be able to deal effectively with the Congress and with the Endowment's various constituencies around the country. What is most important is that the Endowment emerge from this difficult period with a Chairman who will serve you and the humanities well. I stand ready to do whatever I can to achieve that result.

Respectfully,

*Charles Blitzer*  
Charles Blitzer

*Barry J*



TO: President Carter

FROM: Charles Blitzer (CS)

The humanities are concerned with the surviving record of everything that man has thought and done and created since he has been on this earth. They provide historical perspective, cultural richness, and philosophical insight. Far from being the protected preserve of a small number of scholarly specialists, the humanities lie at the very heart of our shared civilization.

In establishing the National Endowment for the Humanities in 1965, the Congress recognized that it is in the national interest that the humanities flourish, as a branch of scholarship, as a mode of education, and as a resource for all the people. At the same time, the 1965 Act recognized that the primary responsibility for support of the humanities should be borne by states, municipalities, and the private sector.

Four problems in particular seem to confront the NEH today. First, in spite of all its efforts and expenditures, there seems to be little public understanding of what the humanities are and why they matter. Second, a quite unnecessary schism has developed between those whose primary occupation is scholarship and those whose primary interest is dissemination; this has particularly embittered relations between the NEH and important members of the Congress. Third, a state of mind has developed in which the Humanities Endowment, particularly with regard to its public programs, is judged against the standard set by the Arts Endowment, and found wanting. Finally, there seems reason to believe that some members of the staff of the NEH have developed the feeling that they are the masters and not the servants of the public, and that they rather than their several constituencies know best what the country needs. Each of these problems deserves some comment.

Paradoxically, I believe that the NEH's attempts to create a kind of product-identity for the humanities are at least partially responsible for its failure to gain broader public recognition and understanding. (I suspect that most people when they hear the word humanities think of cruelty to animals). I believe that more emphasis on history, literature, philosophy, languages, religion and the other components of the humanities would serve this purpose better. Furthermore, it is clear that professionals in the humanities are among the most



intelligent and articulate people in the country; they constitute a resource that must be used more effectively in bringing the message of the humanities to all people.

Despite all the talk of "elitism" and "populism," there is really no conflict of principle, and in fact not even a conflict of interest between producers of knowledge and its disseminators. The dissemination of bad research is no favor to anyone, and the dissemination of good research badly is not much better. It is absolutely essential -- and, I believe, perfectly possible -- that scholars, teachers, communicators, and lay people be brought to recognize their community of interest so that they will work fruitfully together. In the crassest terms, scholars must realize that continued, generous federal support of their research must be justified in terms of some positive consequences for the general public; similarly, the communicators must be reminded that the quality and integrity of what they do depends heavily upon the knowledge and insights of scholars.

On the specific question of state councils, which became a kind of shibboleth in the Pell-Berman confrontation last fall, there is no reason why the NEH should not work productively with these councils. One important step that should be taken immediately is to establish an effective, regular means of communication among the state councils. Just as it was argued that one of the virtues of our federal system was that the several states could serve as laboratories testing various approaches to social problems, so too the state humanities councils should be encouraged to test a wide variety of programs. But this serves very little purpose unless each state's council is aware of the successes and failures of the others'. In any event, the perfectly sensible intent of the amendment was to decentralize decision making and to encourage variety and local participation. This intent should certainly be honored, as Senator Pell has so strongly urged.

When the NEH was established in 1965, most of its advocates (among whom I was one) thought of the National Science Foundation as the most appropriate model. Through a series of historical and personal accidents, the NEH in recent years has tended to be judged by the standards of the Arts Endowment. I believe this is a false analogy, if only because the arts presuppose audiences and participation in a way the humanities do not. In the area of dissemination and public programs, the task of



the Arts Endowment is to make these audiences larger and more diverse. This is no simple task, but it seems simple in comparison with the situation of the humanities.

I have no hesitation in saying that the major intellectual, political, and even moral challenge facing the NEH in the years ahead lies in the area of dissemination and public understanding. We know pretty well how to award fellowships to individual scholars, how to support publications and how to develop the necessary tools of scholarship. These programs should be continued, perhaps with some improvement, because they are essential to the continued vitality of the humanities. But the major intellectual resources and the energies of the NEH should unquestionably be brought to bear on the areas of education and public dissemination. The first task will be to define the problem: what exactly is it that we wish to accomplish? Only when this has been answered will it be possible to devise strategies and programs to accomplish our aims.

It is my impression that the NEH over the years has tended, particularly in its public programs, to support almost any promising idea that came along. I suspect that this was caused by a lack of clarity about goals, and it has resulted in a bewildering array of small programs of almost every conceivable variety. What is in order now, in addition to greater clarity of purpose, is some rather hard evaluation of the results of these various undertakings, and sufficient conviction to give major support to what is good and promising, and nothing to what is not.

A couple of specific ideas seem worth pursuing. One of the major concerns of academic humanists is the substantial unemployment -- on the order of perhaps 8000 -- among young Ph. D.'s. Could some of these people be sent out around the country to work through libraries, museums, historical societies and other local institutions? The NEH, with limited funds at its disposal, should explore this idea with other Federal agencies, such as Labor and OE, and with private institutions.

The poor showing of the United States in the area of cultural and educational television is now something of a cliché. Given the technical and scholarly resources of our country, this surely does not need to be the case. Means must be found to bring the best talent to bear in the production of, for example, a series on the great civilizations of the



world. Another series devoted to the scholarly process itself, rather than simply to its results, could awaken a broad understanding and appreciation of the various disciplines of the humanities, as the Nova series has done for the sciences. The promise of the open university idea should be vigorously explored.

Finally, the staff and organization of the NEH should be carefully studied to discover whether it is doing its job as well as it might. As a sometime applicant to NEH, I would very much hope that the proliferation of forms and the imposition of petty bureaucratic requirements could be reversed. I am not persuaded that a staff member is needed for every \$500,000 the NEH grants. The quality of the staff, for both practical and symbolic reasons, should reflect the substance with which they deal.

In sum, the NEH has an important role to play and, through the generosity of successive Administrations and Congresses, it has the financial means necessary to play this role. What is needed more than anything else, I believe, is to bring together the various groups upon whose cooperation the success of the Endowment depends: scholars, communicators, state and local officials, educators at all levels, interested citizens and private associations, and the friends of the humanities in the Congress. If these individuals and groups can be brought to work together, the NEH will realize the high hopes we all had when it was established twelve years ago.

May 25, 1977



C

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 1, 1977

MEETING WITH THE HOUSE ENERGY AND POWER SUBCOMMITTEE

Thursday, June 2, 1977

8:00 a.m. (60 minutes)

The Family Dining Room

From: Frank Moore

I. PURPOSE

To meet with the Democratic Members of the House Energy and Power Subcommittee (Interstate and Foreign Commerce Committee).

II. BACKGROUND, PARTICIPANTS, & PRESS PLAN

Background: The Energy and Power Subcommittee, chaired by Rep. John Dingell (Michigan), has primary jurisdiction over several key portions of the National Energy Act, including the utility financing portion of the home insulation program, appliance standards, the school and hospital insulation program, natural gas, public utility reform, and the regulatory portion of the coal conversion program. Over the course of the last three weeks, the Committee has held 15 hearings and listened to over 300 witnesses in reviewing these portions of the National Energy Plan. Today, the Subcommittee starts marking up the bill itself, beginning with the utility financing program portion of the home insulation program. The remainder of their mark-up schedule includes:

Appliances, June 3

Schools and Hospitals, June 6

Natural Gas Pricing, June 7, 8, & 9

Public Utilities, June 10, 13 & 14

Coal Conversion, June 15, 16 & 17

Full Committee mark-up will begin June 21.

The later stages of the Committee's hearing schedule have been marked by increasing criticism of specific portions of the program from various affected interests. It may make some sense to use this opportunity to refocus attention on the need for a comprehensive National Energy Plan. As contrasted to the closing days of the hearings, your involvement could help this important phase of the legislative deliberations begin on an upbeat note, stressing the importance of the Democratic Congress and the President's working together on a comprehensive program. Members are nervous about what they perceive to be the short run costs and inconvenience of the program. They need assurance that the Administration is willing to support the program and get out front by stressing the longer run need for these initiatives.



Participants: The President, Dr. Schlesinger, Reps. Ashley, John Dingell, Bob Gammage, Albert Gore, Bob Krueger, Andy Maguire, Edward Markey, Toby Moffett, John Murphy, Dick Ottinger, Marty Russo, David Satterfield, Phil Sharp, Harley Staggers, Doug Walgren, Tim Wirth, Frank Moore, Bill Cable, Jim Free.

Press Plan: White House photographer only.

### III. TALKING POINTS

The general points that you may want to stress are:

1. The energy program remains your highest legislative priority.
2. The Administration wants to work with the Congress through these crucial legislative days to develop a broadly acceptable energy policy.
3. Both the Administration and the Democrats in Congress will be discredited by failure to agree and follow through on an effective national energy program.
4. That you intend to meet with Members on each of the Committees involved in the legislation at the time they begin mark-up in order to ask their help with the program.

Their most serious concerns include:

#### 1. The Coal Conversion Program

Several members have increasingly questioned whether the coal conversion goals are consistent with maintaining our environmental objectives. Specifically, regional interests in the Northeast and California are afraid their special air quality problems have not been factored in to the coal conversion goals.

It is important to stress that the projections involving the additional use of 565 million tons of coal by 1985 contemplate that many areas of the country will simply not be able to convert.

The assumptions made in reaching the coal conversion goal are in fact modest. They contemplate that only 44% of all new industrial facilities will be burning coal in 1985, and that only 10% of the existing facilities without coal burning capability will actually convert.

#### 2. Oil and Gas Pricing

The Committee is split almost evenly between those who feel that the oil and gas pricing incentives contained in the National Energy Plan are too generous and those who feel they are not generous enough. It is important to stress that in the case of both, the Administration has attempted to determine those price-



levels at which production will increase without unjustly providing producers with inventory profits for existing production. There is no reason to allow this already discovered oil and gas to receive the particularly generous world price incentive set by foreign producers.

### 3. Decontrol Campaign Commitment

It is likely that Rep. Krueger, sponsor of the major natural gas decontrol bill before the Subcommittee, will ask why you did not honor your campaign commitment to decontrol. The BTU new gas equivalent price with domestic oil is an important step toward deregulation in an effort to bring the seriously distorted natural gas market back into supply and demand balance. With a demand for natural gas of over 30 trillion cubic feet per year, and a maximum supply potential of 20 trillion or less, immediate deregulation could result in prices in excess of \$4.00 to \$5.00 per MCF, compared to interstate prices of \$1.42 per MCF and the highest intrastate prices of \$2.40 per MCF. This is far in excess of the price needed for developing conventional supplies of natural gas, and would shift billions from consumers to producers without really producing any additional natural gas supplies. For this very reason, many producing state interests supported a price ceiling on emergency natural gas sales this last winter.

By relating the natural gas price to oil, increasing producer incentives, taxing wasteful boiler fuel and other large industrial uses of natural gas, and granting special price incentives for new higher cost gas production technologies, it is our hope to bring supply and demand into better balance and move toward the day in the future when we can deregulate.

### 4. Pace of Congressional Consideration

Rep. Dingell recently wrote the Speaker asking for a delay in the breakneck House schedule. Members are being asked to consider many different and complicated proposals in a very short time frame. In addition, the Energy office has received hundreds of requests for specific information and data. All of the responses have not been completed, and some Members are complaining that they do not have enough data to act on the program, while others note that there is not enough time to sort through all the information they are receiving.

Members will receive all information relevant to any committee mark-up prior to that mark-up. The energy staff is working around the clock to get the information out, and have also been meeting with staff and Members on the Hill in an effort to explain the program and answer questions.

This schedule is a strain on everyone. But the consequence of



delay to the nation's vulnerability and energy future are so important that every effort must be made to meet a schedule that, at best, will just enable the Congress to consider the full National Energy Plan before the end of this legislative year.

#### 5. Home Insulation Program

Some Members are concerned that the goal of insulating 90% of all residences by 1985 is not achievable. Others fear that the rush for insulation will drive the price of insulation prohibitively high.

Treasury has estimated that the insulation tax credit plus the availability of secondary market home loans for insulation expenditures will result in 60% of the homes being brought up to standard by 1985. As was stated in the National Energy Plan, if after several years, it appears the 90% goal is not being met, the Administration is prepared to come back and ask for mandatory measures, such as a requirement that homes be brought up to standard before they are sold.

To achieve this 90% goal, it will require the insulation of about 6 million homes per year for the next seven years. Last year we insulated approximately 3 million homes. The insulation industry has indicated their intention to double capacity in the near future if this program becomes effective. We thus believe that the capacity to achieve our goals at reasonable prices does exist, but that the price behaviour of insulation will have to be monitored very carefully.

#### 6. Gas Guzzler Tax

Although not within the Subcommittee's jurisdiction, Chairman Dingell (from Detroit) is concerned that the rebates will be used to finance the purchase of more fuel efficient foreign automobiles. In the alternative, they are concerned that if no foreign rebates are given, we will be in violation of the General Agreement on Tariffs and Trade (GATT).

The Special Trade Representative is currently in the process of exploring with our trading partners the kind of agreements that might be worked out on a nation by nation basis concerning rebates for foreign imports. The hope is to have some indication on this subject prior to the beginning of mark-up on the gas guzzler tax provisions.

It is important to stress that even if appropriate agreements cannot be executed, it is essential that some means be found to increase the demand for more fuel efficient automobiles if we are to meet the mandated fuel economy standards. If rebates fail, some method -- perhaps a further increase in the proposed gas guzzler tax to achieve an equal amount of fuel efficient purchases will be needed.



Attachment 1 is a description of each Democratic Member of the Subcommittee. Attachment 2 is a summary outline of those sections of the plan for which the subcommittee is responsible, plus a summary of the Oil and Gas Consumption Taxes and Rebates which compliment the regulatory coal conversion program. Jim Schlesinger will be available to help answer questions.



## ATTACHMENT 1

The Energy and Power Subcommittee was established in the 94th Congress to deal with energy problems evolving at that time. Chairman Dingell played a powerful role in its creation and has subsequently amassed considerable power over key energy issues in the House. With the exception of the three new Democrats and one Republican who are Freshmen to the 95th, the Members are extremely versant and sophisticated on energy legislation at this point; pretty much have pat positions; know the ramifications of various policies to their District vested interests; and know what types of questions to pose to the Administration regarding modeling techniques, and regional and economic impact analyses.

Chairman John Dingell (D-Mich). Born 1926. Lawyer. Elected to Congress in 1955. Also on Energy Ad Hoc Committee. 16th District economic base is auto industry. Political philosophy is liberal/pro-consumer.

On Energy/Environmental conflicts, he moved strongly to the energy side on the auto question (7 of the 13 Democrats on his Subcommittee supported him on the auto vote in the House) and has been moving more in this direction on coal utilization questions. Dingell does his homework on all bills before his subcommittee and has a highly qualified staff to back him up. He takes pride in gleaning complete information from his hearings and it is not unusual for these to run as long as eight hours at a time. He subsequently submits lengthy questions to Administration witnesses to supplement material for the record. (This has been done in great detail on the NEA package.) Aside from the philosophical aspects of legislation, Dingell takes great care to ensure that legislation is "technically" sound; he did considerable revisions to the Emergency Natural Gas legislation to "tighten up" language, and it can be expected he will do same to the NEA portions under his jurisdiction.

On the Administration bill - Dingell has long believed that deregulation of natural gas would drive prices beyond what is necessary for increased supply and could lead to inflation and recession.

(He made this point forcefully when Dr. Schlesinger testified.)

On Utility Rate Reform, Dingell has sponsored his own bill (HR 6660) which includes Ottinger, Moffett, and Gore from the Subcommittee as cosponsors.

Points made on Administration bill (Congressional Record May 3):  
Much of program builds upon or duplicates present law:

- Appliance standards - contained in EPCA (Energy Policy + Conservation Act, 1975)
- Efficiency standards for new buildings - contained in EPCA
- Strategic Petroleum Reserve Program - contained in EPCA

Opposes Gas Guzzler Tax: EPCA has set fuel efficiency standards for autos and this tax would be redundant and may well not achieve



any additional energy conservation beyond that to be achieved under EPCA. This tax would subsidize foreign car imports and work to the disadvantage of the domestic economy, particularly the domestic auto industry.

Congress should not focus exclusively on the individual components of the President's bill, but view them in terms of the economy, and environment:

- 1) Increased oil and gas prices offer a potential for creating substantial inflationary pressures and could result in reduced economic growth and higher unemployment.
- 2) Crude oil and gasoline taxes could increase the price of energy by \$15 billion by early 1979 - revenues from these taxes would have to be fully rebated to consumers.
- 3) The potential inflationary and recessionary impacts of the natural gas pricing components will have to be given an especially careful look by the Congress. The proposal to allow expiring interstate contracts of previously discovered natural gas to rise from 52¢ to \$1.42 would raise consumer costs by more than \$6 billion in 1982. Appears to lack economic justification.
- 4) Auto emission standards appear to sacrifice auto fuel efficiency and therefore a resultant reduction in gasoline consumption.
- 5) Coal - the issue has not been addressed if the Nation can double consumption in face of health, safety and environmental issues and mining requirements. If demand increases, but coal is not available, it could result in an enormous reallocation of capital accompanied by higher coal prices.

Richard Ottinger (D-NY). Born 1929. Lawyer. Elected to Congress in 1974. 24th District includes wealthy Westchester County. Political philosophy - liberal/pro-consumer/pro-environment - one of the earliest Environmentalists in Congress.

On the Administration bill - Ottinger is concerned with the economic impact of deregulation and that even with the tax rebates of the President's plan, these will not make up the difference in higher prices to consumers. He appears to favor a rollback of current natural gas prices.

To note: Ottinger recently introduce the "Small Hydroelectric Project Act" and would like to add it as an amendment to the NEA and gain Administration support. The bill gives the FPC authority to provide grants and low-interest loans up to \$300 M over 3 years to build small power stations up to 15MW at existing dams. Eligibility - towns, electric cooperatives and other entities, excluding utilities. Estimates that 49,000 underdeveloped small dams could generate electricity at a savings of 1MBD oil and save the consumer \$5.5B.



Robert Krueger (D-Tex). Born 1935. Rhodes Scholar/Professor and Dean at Duke University to Congress in 1974. 21st District in West Texas includes parts of San Antonio; cattle and oil/gas industry.

Krueger is the proponent of natural gas decontrol in the House. His decontrol bill lost by only four votes last year despite opposition from the Leadership; has sponsored HR 2088 in the 95th with 70 cosponsors, which is identical to last year's bill except that expiring contracts would not be eligible for decontrol. Krueger has been an effective advocate of decontrol, largely through his technical expertise and low-key eloquence in developing his points. He views this issue in part along regional lines that the rest of the nation will reap the benefits of higher Texas intrastate prices under the Administration bill--has referred to it as "colonialism" during hearings.

Philip Sharp (D-Ind). Born 1942. Professor. Elected to Congress in 1974. Also serves on Ad Hoc Energy Committee.

Sharp, while a relatively younger member, is well respected by his colleagues. He has an open mind, looks for the facts and seeks to be fair. Voted consistently for continued controls in the 94th Congress, but his District was hard hit by the natural gas shortage this winter which may mitigate against this position.

Toby Moffett (D-Conn). Born 1944. (Staff aide to Vice President Mondale in 1970). Elected to Congress in 1974. Also serves on Ad Hoc Energy Committee. 6th District has a large element of mill towns and is part of the Hartford-Springfield industrial corridor. Voting philosophy is liberal/pro-environment. Represents New England vested consumer interests on keeping oil prices down. (New England is net residual importer.) Moffett favors horizontal divestiture and questions there is a free enterprise system in the oil industry.

Bob Gammage (D-Tex.). Born 1938. Lawyer. Elected to Congress in 1976. 22nd District includes Houston. Gammage is a cosponsor of the Krueger decontrol bill; does not believe the President's policy is conducive to increasing supply.

During the Natural Gas Hearings in Subcommittee WEEK OF MAY 12 Gammage made the following observations:

Concern that the national energy plan is not coordinated with the Strip mine bill or the Clean Air Act. He notes that Texas will be required to convert from natural gas as a boiler fuel to coal, but the prohibitions of the CAA (Significant Deterioration/Non-Attainment) will prevent this; that the extraction tax on coal is based on tonnage, not BTU, and Texas Lignite is low in BTU. Therefore, Texas will have to "import" coal rather than use its own lignite in conversions, which "doesn't make sense."



Gammage is further concerned that the incremental pricing and taxing on those using natural gas will force the petrochemical industry to raise fertilizer prices - a problem to Texas farmers and to consumer food costs. He was very strong on all these points and reiterated them several times in Committee.

John Murphy (D-NY). Born 1926. Businessman/former West Pointer. Elected to Congress in 1962. Also Chairman OCS Committee. 17th District includes Staten Island and parts of Manhattan, including Greenwich Village. Voting philosophy is moderate/liberal. Murphy is very pleased with the Administration support of his OCS bill, in particular from FEA Administrator O'Leary and Interior Secretary Andrus. He generally opposed deregulation in the 94th but appears to be leaning toward the Krueger bill.

David Satterfield (D-Va). Born 1920. Lawyer/former US Asst Attorney. Elected to Congress in 1964. 3rd District represents conservative Tidewater Virginia including Richmond. Satterfield is probably the most conservative on the Subcommittee and is Chairman of the DRO, the Democratic coalition of Conservatives. He opposes government controls in general and is particularly concerned with the environmental constraints on energy development, a concern raised in these hearings and in consideration of the Clean Air Act amendments.

Timothy Wirth (D-Colo). Born 1939. Businessman with impeccable credentials - Harvard & Stanford Universities; White House Fellow; Deputy Asst Secretary Education, HEW 69-70. Elected to Congress in 1974, and one of the leading liberal element of the 94th Freshman class. Voting philosophy is liberal/pro-environment. However, voter trends in Colorado are moving from environmental orientation to jobs/energy development issues. Appears to be leaning to the Krueger decontrol bill.

Andrew Maguire (D-NJ). Born 1939. UN Advisor; consultant Ford Foundation. Excellent educational background - Woodrow Wilson Fellow, Univ London, Harvard PhD. Elected to Congress in 1974 and one of the principals of the 94th Freshman Class "revolt." Voting philosophy is liberal, consumer oriented, environmentalist--one of the spokesmen on environmental issues in the Rogers Environmental Subcommittee and a sponsor of the Significant Deterioration proposal in the House. Favors continued controls and sharply critical of the oil industry. Feels that natural gas prices are out of line and has claimed that the industry has reaped some 200% profit over the last five years. On coal conversions, feels that the Northeast should get an exception to the blanket conversion thrust of the Administration bill because of the environment. (New Jersey was one of the hardest hit by the natural gas shortage this winter.)



Martin Russo (D-Ill). Born 1944. Lawyer. Elected to Congress in 1974. 3rd District includes large part of Chicago. Voting philosophy is moderate/liberal. New to the Committee and attitudes unknown, but will probably be consumer oriented. However, he may be a swing vote on the Decontrol issue.

Edward Markey (D-Mass). Born 1946. Lawyer-elected to Massachusetts Legislature while a 3rd year law student and became one of its outstanding members. Chosen Legislator of the Year by the Massachusetts Bar Association in 1976. Filled the seat of former Representative Torbert MacDonald and elected to full term in 1976. New to the Committee but expected to oppose decontrol.

The following two Members (Walgren and Gore) were added to the Subcommittee May 15 in a surprise maneuver intended to break the vote projection which gave the Krueger bill the edge. (A Republican, Edward Madigan, Ill, was also added.)

Douglas Walgren (D-Pa). Born 1940. Lawyer-Dartmouth & Stanford. Elected to 95th Congress. 18th District includes Pittsburgh suburbs. (Walgren tried unsuccessfully three previous times for this House seat - it was vacated by John Heinz when he ran for the Senate.) Voting philosophy projected as moderate/liberal.

Albert Gore, Jr. (D-Tenn). Born 1948. Elected in 1976. Son of former Senator Albert Gore, Sr., who held this seat 14 years. Gore campaigned on a populist flavor, advocating tax reform, sunset legislation and tighter strip mine legislation. (Note: Tennessee tends to be a populist state - re Governor Blanton and Senator Sasser platforms.) Gore has criticized "private power trusts" that would dismantle the TVA. Since he joined the Subcommittee, Gore is particularly interested in natural gas pricing. He has indicated he considers the President's \$1.75 mcf too high; opposes total deregulation. He also considers utilities and pricing more a monopoly. However, Albert Gore, Sr., is Director, Occidental Petroleum Corporation and Chairman, Island Creek Coal Company, a subsidiary of Occidental.



ATTACHMENT 2

Utility Program

(Title I, Part A, Subpart 1)

- Gas and electric utilities would be required to assist their residential customers in the installation of energy conservation measures, pursuant to a plan submitted to the Federal Energy Administration by each state public utility commission and each non-regulated utility.
- The Administrator of the Federal Energy Administration would specify, according to climatic region and type of building, the suggested energy conservation measures to be installed from among the list of measures in the statute.
- The energy conservation measures listed are:
  - caulking and weatherstripping
  - furnace efficiency modifications
  - clock thermostats
  - ceiling, attic, wall, and floor insulation
  - hot water heater insulation
  - storm windows
- Each utility would be required to:
  - inform its residential customers by January 1, 1980 of the suggested measures and potential energy savings



- 2 -

- offer to inspect and inform the customer of the estimated cost of installation
- offer to have the suggested measures installed
- offer to make a loan or arrange for a loan to finance the purchase and installation of the suggested measure
- permit the customer to repay the loan as part of his monthly utility bill
- send its customers a list of suppliers and contractors
- send its customers a list of banks and savings and loans which will make such loans

- ° Each customer would have the option of having the work done by the utility or a contractor, and obtaining financing from the utility or a financial institution.
- ° Only applies to 1 and 2 unit existing residences.
- ° Alternative programs (on a utility or state-wide basis) can qualify for exemption if they contain key elements of this program - informing the customers and offering to install the measures. No type of financing mandated.



### Financing Program

(Title I, Part A, Subpart 2, Sec. 110-114)

- ° HUD's Title I program would be amended to permit utilities to make insured loans to their residential customers to finance costs of purchasing and installing residential energy conservation measures.
- ° The Federal Home Loan Mortgage Corporation Act would be amended to include Title I loans and conventional loans for energy conservation measures among those obligations eligible for purchase by the corporation.
- ° The Federal National Mortgage Association Act would be amended to authorize purchase of conventional loans for residential energy conservation measures.



Energy Efficiency Standards for Consumer  
Products Other than Automobiles

(Title I, Part B, Subpart 1)

- ° Requires the Administrator of the Federal Energy Administration to establish mandatory energy efficiency standards, to replace voluntary targets, for the following products:
  - refrigerators
  - refrigerator-freezers
  - freezers
  - water heaters
  - room air conditioners
  - kitchen ranges and ovens
  - central air conditioners
  - furnaces
  
- ° Permits the Administrator to establish mandatory energy efficiency standards for the following products:
  - dishwashers
  - clothes dryers
  - home heating equipment, not including furnaces
  - television sets
  - clothes washers
  - humidifiers and dehumidifiers
  - any other type of consumer product which the Administrator classifies as a covered product under standards set by EPCA, when the individual appliance use is 150 kwh/year, and the combination



- 2 -

of energy use by the appliance and its incidence in households results in an aggregate use of 4.2 billion kwh/year

- ° These standards will prescribe a minimum level of energy efficiency which is:
  - measured by test procedures established under the EPCA
  - the maximum improvement technologically feasible and economically justified taking into account:
    - . economic impact
    - . total energy savings
    - . savings in operating costs
    - . any lessening in utility or performance
    - . reduction in competition
    - . national need to conserve energy
- ° The Administrator may set different minimum levels of energy efficiency by type or class of product based on the kind of energy consumed.
- ° Small manufacturers (gross revenue less than \$8 million) may be exempt for not more than two years should the Administrator determine that imposition of the standard may substantially lessen competition.



Disclosure of Automobile Fuel Inefficiency Tax and Disclosure  
of Automobile Fuel Efficiency Rebate

(Title I, Part B, Subpart 2)

- Existing requirements for labelling of new automobiles would be amended to include a requirement that the manufacturer of any automobile subject to the fuel inefficiency tax disclose the fact that a tax was paid upon the sale of such automobile (and the amount of the tax).
- In the case of any automobile with respect to which a rebate has been paid, the manufacturer would also be required to disclose that it has received the rebate and the amount thereof.
- The Federal Trade Commission would be specifically authorized to prescribe rules requiring disclosure of the manufacturer's payment of the tax or receipt of a rebate in certain written or televised automobile advertisements.



Energy Conservation Program for  
Schools and Hospitals

(Title I, Part C)

- Would establish a three year Federal grant program to the States to assist public and non-profit schools and hospitals in installing energy conservation measures.
- 40% Federal share for eligible project costs.
- Authorization of \$300 million per year for three years.
- 90% of the funds would be allocated among the states according to a formula based upon population and climate. 10% allotted on a discretionary basis.
- Energy conservation measures include:
  - insulation of walls, ceilings, attics, floors, ducts, and pipes
  - doubleglazing of windows
  - automatic energy control systems
  - solar heating and/or cooling systems
  - solar water-heating systems
  - furnace modifications
  - caulking and weatherstripping
  - reflective glass coatings
  - lighting fixture retrofit
  - furnace ignition systems



Natural Gas  
(Title I, Part D)

- o The purpose of this proposal is to replace rate of return price regulation with an incentive based commodity value system. The pricing approach is designed to increase production while keeping consumer gas prices at reasonable levels.
- o All sales by producers of new natural gas would be subject to price regulation at the current Btu related price.
  - New natural gas is defined as gas produced from new OCS leases (leased after April 20, 1977) or from new wells (drilling begun or permit issued after April 20, 1977) not on the OCS that are at least 2.5 miles from any existing well or at least 1000 feet deeper than any existing well within 2.5 miles.
  - Current Btu related price is defined as the average per barrel acquisition cost of domestic crude oil for the most recent quarter, divided by 5.8 to convert to a gas equivalent.
- o All sales by producers of old natural gas under existing contracts would be subject to the lesser of
  - The contract price or
  - The price for sales under such contractwhich was determined to be just and reasonable by the Commission and was in effect on April 20, 1977, plus inflation.



- o All sales by producers of old natural gas under new contracts would be subject to price regulation at:
  - not more than \$1.45 per Mcf, plus an adjustment for inflation, for gas dedicated to interstate commerce on April 20, 1977, or gas produced from new wells that do not meet the 2.5 mile/1000 foot criteria; and
  - the current Btu related price for other old gas (i.e., gas previously sold intrastate).
- o Authority would be provided to specify special incentive prices for categories of gas with high costs of production, such as from geopressurized brine.
- o Authority would be granted to control prices in any sales of gas (other than sales for resale that are subject to the Natural Gas Act) if necessary to prevent circumvention of pricing policies of this Act.
- o The Commission would be authorized to grant abandonment under section 7 (b) of the Natural Gas Act prior to dedication of natural gas for interstate commerce.
- o The bill would require incremental pricing regulations so that, to the maximum extent practicable, increases in the cost of natural gas are passed through in the rates and charges for low priority uses, such as industrial and utility boiler use.



- o Commission jurisdiction would be extended to the construction and operation of synthetic gas manufacturing plants.
- o The Emergency Natural Gas Act of 1977 is amended to apply to intrastate as well as interstate sales and is extended for 3 years.



## Public Utility Regulatory Policies

### (Title I, Part E)

- ° National policies to assure that rates accurately represent the true costs of providing service, including variations in cost based on time of use, for electric and gas utilities would be established.
- ° Over a reasonable period, electric utilities would be required, by state public utility Commissions or by the Federal government, to reform rate structures in accordance with the true costs of service in the interest of conservation and equity as a prerequisite to future rate increases.
- ° They would be required to phase out declining block and other rates that do not reflect costs; to offer either daily off-peak rates to each customer who is willing to pay metering costs, or provide a direct load management system; and to offer lower rates to customers who are willing to have their power interrupted at times of highest peak demand. Master metering would generally be prohibited in new structures.
- ° The Federal Power Commission would be authorized to require interconnection and power pooling between utilities even if they are not presently under FPC jurisdiction, and to require "wheeling" (the transmission



of power between two non-contiguous utilities across a third utility's system).

- An exemption from Federal and State public utility regulation would be available to industrial cogenerators. The Federal Power Commission would be required to establish procedures to assure fair rates for both sale of power by cogenerators and for purchase of back-up power, and industries using cogeneration would be entitled to intertie with utility transmission facilities to sell surplus power and buy back-up power at fair prices.
- Gas utilities would be required to eliminate declining block rates. Additional rate design and regulatory rules for gas utilities would be promulgated administratively with 18 months of enactment.
- The rules would include, but not be limited to:
  - rate design requirements respecting summer-winter differentials
  - rates for interruptible customers
  - master metering
- Gas utilities would be required, through state public utility Commissions or by the Federal government, to conform their rates to the national policies within a reasonable period.



Amendments to the Energy Supply and Environmental Coordination  
Act

(Title I, Part F)

- o The proposal for conversion from oil and gas to coal and other fuels relies in part on a regulatory program for new and existing powerplants and industrial installations (referred to as major fuel-burning installations). The remainder of the conversion program is based on tax and rebate measures discussed separately.
- o The program would apply to:
  - Electric powerplants that burn more than 100 million Btu's per hour (equivalent to a ten megawatt boiler) in a single unit, or 250 million Btu's per hour in a combination of units.
  - Major fuel-burning installations of the same size, except that smaller ones may be included by regulation.
- o With respect to new electric powerplants:
  - No new electric powerplant would be permitted to use oil or gas except for start-up, testing and flame stabilization.
  - Peak load units would obtain an exemption to burn oil, but not gas.
  - A temporary exception could be obtained if coal is not available, or physical or environmental factors preclude compliance, and there is no other reliable source for the power.
  - A permanent exemption could be obtained at a site if the applicant can show that there is no site at which (1) coal will be available, (2) physical or environmental factors do not preclude compliance, and (3) use of coal is financially feasible; and that the power can be not obtained elsewhere.
- o With respect to existing electric powerplants:
  - No existing powerplant could use natural gas after 1990.



- No new or increased use of gas would be permitted.
  - Coal-capable plants could be prohibited from using gas and oil by categories established by regulation or by individual order.
  - Plants capable of using mixtures or combinations of coal and oil or gas could be ordered to use no more than the minimum feasible amounts of oil or gas.
  - A plant currently using coal could only increase its use of oil if it first obtained a permit. This permit would only be issued if the appropriate state certified that use of oil is necessary for environmental reasons.
  - A permit would also be required for switching from gas to oil. State approval of the application would be required.
  - Exceptions would be available on grounds that the plant would eventually comply through use of synthetic coal-based fuels or innovative techniques, or that gas had to be used for environmental reasons, or that coal was not available or that physical or environmental factors precluded compliance.
  - Permanent exemptions could be obtained if physical or environmental factors precluded compliance, or the cost of using coal substantially exceeded the cost of using oil, and there was no alternative supply of power.
- o With respect to new major fuel-burning installations:
- New industrial boilers would be prohibited from using gas or oil except for start-up, testing, flame stabilization or control uses.
  - Installations other than boilers could be prohibited from using oil or gas by categories established by regulation, or by individual order.
  - Temporary exceptions would be based on availability of coal, or physical or environmental factors.



- Exemptions could be granted, based on availability of coal or physical-environmental factors and technical grounds.

- o With respect to existing major fuel-burning installations:

- Existing coal-capable installations could be prohibited from using gas and oil by categories established by regulation or individual order.

- Installations capable of using mixtures or combinations of coal and oil or gas could be prohibited from burning more than the minimum feasible amounts of oil or gas.

- Non-coal capable installations could be ordered off gas.

- Exceptions and exemptions could be obtained on limited supply, environmental and technical grounds.

- o General authority would be provided to grant exceptions or exemptions when compliance with a prohibition is not consistent with the purposes of the program. Cogeneration facilities could also be excepted or exempted if necessary to obtain the economic and other benefits of cogeneration.

- o In certain emergency situations, authority would be provided:

- to allocate coal;

- to order powerplants to cease using oil or gas during severe energy supply interruptions;

- to stay the prohibitions of the program during supply shortages of coal or other fuels.

- o A powerplant or installation unable because of a prohibition in the proposed legislation to use natural gas under contract in effect on April 20, 1977, could sell its rights under the contract.



- The price charged in such a sale could not exceed the proposed applicable first sale price for that type of gas plus an amount to compensate a pipeline or distribution company, or both, entitled under the contract to transport the gas.
- The compensation to the pipeline or distribution company would be determined in accordance with a liquidated damages clause in the contract. In the absence of such a clause, compensation would be the amount necessary to compensate for reasonable losses incurred as a result of termination of the contract prior to performance.
- o In order to provide transition between existing ESECA and the new program, the existing ESECA authorities would continue in effect for 180 days after enactment of the National Energy Act. At that time, these amendments would take effect. FEA would be specifically empowered to promulgate regulations between the date of enactment and the effective date to implement the program.



## Oil and Gas Consumption Taxes and Rebate

### (Title II, Part E)

- o In order to stimulate conservation and shift consumption away from oil and natural gas, a tax would be imposed on large industrial and utility users of oil and gas. The tax would be imposed beginning in 1979 for industrial users (with certain exceptions) and in 1983 for utility users.
- o Oil and gas use below 500 billion Btu's per year would not be subject to the tax.
  - Use between 500 billion and 1.5 trillion Btu's per year would be subject to tax at an increasing rate such that at 1.5 trillion Btu's and above, all use would be taxed.
  - Users which consume both gas and oil would prorate their taxable use according to the proportion of each fuel used to determine the amount taxable as gas and the amount taxed as oil.
- o Beginning in 1979, industrial users of natural gas (except for the uses discussed below) would be taxed an amount equal to the difference between the average cost of natural gas and a target price keyed to the regional price of distillate oil, adjusted annually for inflation.
  - The target price for the first year's tax in 1979 would be \$1.05 below the Btu equivalent price of distillate.
  - The target price would rise gradually to equal the distillate price in 1985 and beyond.
- o Utility users of natural gas would be similarly taxed.
  - Starting in 1983, the amount of tax would bring the cost of gas to them to a level of \$.50 per million Btu's below the Btu equivalent price of distillate, adjusted annually for inflation.
  - The tax would rise gradually so that by 1988 the cost of gas to them would equal the cost of an equivalent amount of distillate.



- The later starting date for the tax on utility use of natural gas reflects the longer lead-time required by utilities to convert to coal or other alternate fuels.
- o Industrial and utility users of petroleum would be taxed at a flat rate, adjusted for inflation, since, unlike natural gas prices, petroleum prices are relatively uniform nation-wide.
  - Beginning in 1979, industrial use would be taxed \$.15 per million Btu's. The tax would rise to \$.50 per million Btu's by 1985.
  - A tax on utility use of petroleum would begin in 1983 at \$.25 per million Btu's and remain at that level thereafter.
- o Certain fuels and uses are exempt from the oil and gas tax as follows:
  - fuel used in any aircraft or for rail or water transportation;
  - fuel for certain farm or farming purposes and any drying of grains and feed grasses or irrigation pumping;
  - feedstocks for production of anhydrous ammonia or ammonia liquor (except use of natural gas as a fuel);
  - fuel used in a refinery or natural gas processing plant to produce refined petroleum products;
  - natural gas reinjected for repressuring or cycling use; and
  - natural gas which is not marketable.
- o Industrial users of oil and gas making qualified investments in alternative energy property after December 31, 1977, may select one of two financial incentive options:
  - An additional ten percent investment tax credit against the income tax.



- A rebate against current (but not past) oil and natural gas consumption taxes (with a one year carry-forward provision).
- o The selection of a financial incentive mechanism by the taxpayer would depend on the characteristics of the firm.
  - A multifacility user intending to convert a portion of its facilities to coal might select the rebate. That rebate permits the entire taxpayer's oil and gas tax liability to apply against the costs of a few replacement facilities.
  - A new user, or a single facility user, might select the additional investment tax credit.
- o Electric utilities making qualified replacement investments after April 20, 1977, would be eligible for a dollar for dollar credit against their oil and natural gas consumption tax.
  - Qualified replacement expenditures mean costs paid or incurred by an electric utility for engineering, designing, purchasing, assembling and installing electrical generating property with coal or other alternative fuels capability to replace oil or natural gas fired generation.
  - Specific regulations will be developed by the Secretary of the Treasury in consultation with FEA.



THE WHITE HOUSE  
WASHINGTON

June 2, 1977

Bob Lipshutz

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

cc: Tim Kraft  
Fran Voorhe

Re: FBI Search Committee



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input checked="" type="checkbox"/>	KRAFT
<input type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input checked="" type="checkbox"/>	VOORDE



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 1, 1977

*Bob -*  
*9/11 Meet E*  
*Chairman*  
*when report*  
*submitted*  
*J*

MEMORANDUM FOR THE PRESIDENT

FROM: Robert J. Lipshutz *RJL*

SUBJECT: FBI Search Committee

I am advised that the Search Committee has now completed its work and is in the process of having a full field investigation made of the five individuals whom they plan to submit to you.

In my estimation the preliminary "paperwork" will be completed by next Monday so that the FBI investigations will have commenced by that date. Completion of these investigations will take seven to ten days.

In the meantime a press release is being prepared, which of course will be submitted to Jody for handling, in which the "process" of the search will be described, the number of individuals considered and interviewed will be published, but of course the names will not be published. In a private cover letter to you, the Committee will submit the biographical data and its recommendation. Additionally of course the full field investigations will be furnished to you as soon as they are completed.

At this time no personal meeting between you and the Committee is scheduled. Please advise if you wish to meet with the Chairman of the Committee, Irving Shapiro, or with the full Committee, either at the time the report is delivered to you with the five recommendations or a subsequent date.



---

THE WHITE HOUSE  
WASHINGTON

June 1, 1977

Hamilton Jordan

The attached is forwarded to you  
for your information.

Rick Hutcheson

Re: FBI Search Committee.



THE WHITE HOUSE  
WASHINGTON

June 2, 1977

①

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Agriculture Bills in House and Senate

As I indicated to you in a recent memorandum, I have followed up on the cost question which came up just before your News Conference last week on the difference between the cost of the Administration agriculture proposal and the bills currently before the House and Senate.

The principal reason for the difference between the cost figures which OMB presented as the Administration costs and the figures with which you are familiar were that OMB included additional programs beyond those for the major commodities, including milk and peanut price supports, disaster reserves, and storage facility programs. Some of the differential was also accounted for by the fact that OMB used fiscal years rather than crop years.

As indicated by the attached memorandum from the Department of Agriculture, the Administrations proposal is below your \$2 billion guideline established at the April 18 meeting which you had with Secretary Bergland.

The attached memorandum is self-explanatory.

**Electrostatic Copy Made  
for Preservation Purposes**





DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

May 31, 1977

SUBJECT: Cost Estimates for Administration's Legislative Proposal

TO: Stuart Eizenstat

The comparative cost estimates for the House, Senate and Administration commodity program proposals you gave me by phone are for fiscal years and include programs additional to those for the major commodities. Specifically, they include the milk price support, peanut, disaster reserves, and storage facilities programs in addition to the price and income support programs for the major commodities.

The \$2.0 billion annual average guide suggested by the President includes income support payments, farmer-held reserve storage and set-aside payments, and loan and inventory outlays for wheat, feed grains, cotton, soybeans, and rice. It does not include outlays for the disaster program or the minor commodity programs. (See attached page with my notes taken during the April 18 meeting with the President.)

The Administration proposal put before the Congress does not exceed the President's \$2.0 billion guide (see cost estimates below--note these are for crop years and that outlays for the 1978 crop will occur mainly in FY '79). The House Bill exceeds this somewhat (\$2.2 billion annual average), while the Senate Bill (\$3.9 billion annual average) is substantially above this level.

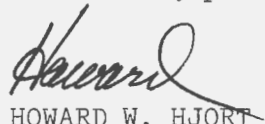
	Crop Year				Average
	1978	1979	1980	1981	1978-81
	----- Million dollars -----				
Income support					
payments .....	1,145	1,151	1,142	1,233	1,168
Reserve storage					
payments .....	55	55	55	55	55
Loan & inventory					
outlays .....	1,091	649	837	197	693
TOTAL	2,291	1,855	2,034	1,485	1,915



Stuart Eizenstat

2

If you have further questions or want alternative cost breakdowns, please call.

A handwritten signature in dark ink, appearing to read "Howard", with a stylized flourish extending from the end.

HOWARD W. HJORT  
Director of Economics, Policy  
Analysis and Budget

Attachment



# MEETING W/ PRESIDENT 4/18/77

Summary of budget outlays: Agriculture Legislative Proposals (values shown are averages for 1970-1981--all assume favorable weather)

1977			Foley/	Talmadge/Dole	House
	Admn.	Poage	As	As	Subcommittee
	proposal:	proposal:	adm.	written	Proposal
---Million dollars---					
Income support payments	1,100	369	1,953	1,965	3,765
Set-aside payments	18	36	18	25	---
Storage payments	55	55	55	---	---
Loan and inventory costs	8.27	475	857	739	415
Total	2000	935	2,883	2,729	4,180

Disaster payments not included. Includes all grains, soybeans and cotton.

## Income Support (Target Price) Levels, 1978 Crops

2.47	Wheat	\$/bu.	2.90	2.60	3.00	2.91	3.20
1.70	Corn	\$/bu.	2.00	1.75	2.05	2.28	2.40
1.62	Sorghum	\$/bu.	1.90-2.00	2.07	2.3500	2.17	2.28
1.39	Barley	\$/bu.	1.65-1.70	1.94	2.20-1.90	1.86	1.95
8.25	Rice	\$/cwt.	7.20	6.75	7.20	8.40	8.40
47.8	Cotton	¢/lb.	50.0	47.5	50.0	51.1	56.1

## Market Price Support (Loan) Levels

2.25	Wheat	\$/bu.	2.25	2.25	2.18	2.18	2.50
1.75	Corn	\$/bu.	2.00	2.00	2.03	1.71	1.80
1.66-1.43	Sorghum	\$/bu.	2.00	1.90-2.00	2.03	1.63	1.71
1.50	Barley	\$/bu.	1.71	1.63-1.75	1.74	1.40	1.47
6.19	Rice	\$/cwt.	6.19	6.19	6.31	6.31	6.31
42.6	Cotton	¢/lb.	51.0	51.0	46.0	38.3	51.0

\$ 2.90 wheat - \$ 2.0



9:40 C  
THE PRESIDENT WAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 1, 1977

MEETING WITH JIM SCHLESINGER

Thursday, June 2, 1977

9:40 a.m. (30 minutes)

Cabinet Room

From: Jim Schlesinger

I. PURPOSE

Briefing on the entire R&D program nuclear/fusion

II. BACKGROUND & PARTICIPANTS

A. Background: Consequent to your review of a "Breeder Report" you requested a thirty minute briefing on the entire R&D program nuclear/fusion.

B. Participants: Robert Fri, Acting Administrator, Energy Research and Development Administration (ERDA); Harry Johnson, Deputy Assistant Administrator of Planning and Analysis (ERDA); Ralph Bayrer, Special Assistant to Robert Fri.

III. TALKING POINTS

1. An assessment of the natural resource base and mix
2. Impact of conservation measures upon energy usage
3. Fossil
  - Development and prospects for enhanced oil recovery
  - Relative economics of oil shale and technology development
  - Prospects for enhanced gas recovery
  - Solvent refined coal development
  - Direct combustion of coal in fluidized bed
  - Anatomy of coal gasification
  - Cost and availability of fossil technologies
4. Fission
  - Uranium resource base projections
  - Light water reactor
  - Advanced nuclear converters
  - Sodium cooled breeder alternatives
  - Centrifuge rotor development
  - Energy system comparison among nuclear technologies
5. Geothermal
  - Binary cycle geothermal plant

**Electrostatic Copy Made  
for Preservation Purposes**



III. TALKING POINTS (continued)

6. Solar

- Solar heating and cooling
- Four potential solar technologies to produce electricity

7. Fusion

- Nuclear fusion process
- Progress in magnetic confinement, heating and density over the last two decades
- Projected systems hardware



THE WHITE HOUSE  
WASHINGTON

June 2, 1977

Stu Eizenstat -

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

Re: Briefing on Alternate Energy  
Technologies



X



THE WHITE HOUSE  
WASHINGTON

You left this in the  
Cabinet Room.

Stu  
Retain  
J

Electrostatic Copy Made  
for Preservation Purposes